Daily Report

Latin America

FBIS-LAT-93-244
Wednesday
22 December 1993

Daily Report
Latin America

FBIS-LAT-93-244 *22 December 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

CARIBBEAN

Cuba

Official Measure Bans 'Clandestine Restaurants' *[Madrid EFE]* 1
Havana Cites WASHINGTON POST on U.S. Blockade *[Havana Radio]* 1
Ambassador Protests UN Human Rights Resolution *[Havana Radio]* 1
Castro Science-Technology Forum Speech *[Havana TV]* 2
Fidel Castro Visits Matanzas Oil Fields *[Havana Radio]* 7
Congratulates Power Plant Crew *[Havana Radio]* 7
Foreign Minister Stresses Media Role in Minrex Work *[Havana Radio]* 7
TRABAJADORES on Future Role of Unions *[Havana Radio]* 7
Lionel Soto Continues Economic Talks in Russia *[Havana Radio]* 8
ANPP To Discuss Dollar Decriminalization Draft Bill *[Havana Radio]* 9
Station Comments on Excess Money Problems, Solutions *[Havana Radio]* 9
Special Report on 1993 Economic Changes *[Havana Radio]* 10
Roundup of Economic Activity Reported 17 Dec-20 Dec *[Havana Radio, TV]* 11
Ranking Officer Sees 'Latent' Danger of U.S. Intervention *[Hamburg DPA]* 12
American Studies Center Holds Foreign Policy Discussion *[Havana Radio]* 12
Cuban, U.S. Educators To Hold Meeting 21-28 Jan *[Havana Radio]* 13
PRC Specialists Arrive To Help With New Motor Factory *[Havana Radio]* 13
Public Transportation for Holiday Period Limited *[Havana Radio]* 13
Hydrotherapy Coordinator Tours, Examines Spa Sites *[Havana Radio]* 13
UPEC President Interviewed on Congress Issues *[Havana Radio]* 13

Haiti

Malval Letter to Aristide on Resignation 14
Malval Spokesman Clarifies Statements in NEW YORK TIMES *[Port-au-Prince Radio]* 16
Sit-ins Planned in Front of 'Four Friends' Embassies *[Port-au-Prince Radio]* 16

Netherlands Antilles

Curacao Violence Blamed on International Drug Rivalry *[CANA]* 16
Dutch Extend 'Higher Supervision' on St Maarten *[CANA]* 17

NAFTA

Ω Statistics Reflect Job Creation Problem *[EL FINANCIERO 28 Sep]* 18

MEXICO

Drug Gang Dismantled; Over 1 Ton of Pure Coke Seized *[AFP]* 19
PRI Candidate Colosio on Law, Meets Union Leaders *[Mexico City TV]* 19
PFCRN Designates Rafael Aguilar Presidential Candidate *[Madrid EFE]* 19
Roundup of Economic Developments 21 Dec *[NOTIMEX]* 19

CENTRAL AMERICA

Belize

Prime Minister Says Country Fears Guatemalan Invasion *[ACAN]* 20

Costa Rica

Roundup of Economic Developments 21 Dec *[LA REPUBLICA 8 Dec, etc.]* 20

El Salvador

Roundup of Economic Developments 21 Dec *[NOTIMEX, etc.]* 20

Guatemala

De Leon Reports Progress in 180-Day Plan *[Guatemala City Radio]* 20
Army Seizes FMLN Weapons Reportedly Bound for URNG *[NOTIMEX]* 23
Further on Army Seizing Weapons *[PRENSA LIBRE 21 Dec]* 23
German Deputy Minister Signs Aid Agreement *[PRENSA LIBRE 17 Dec]* 23
Japan, China, Korea Pledge Economic Aid to Government *[PRENSA LIBRE 18 Dec]* 24
Roundup of Economic Developments 21 Dec *[PRENSA LIBRE 18 Dec]* 24
TSE Not To Include Belize Issue in Referendum *[PRENSA LIBRE 17 Dec]* 24

Honduras

Callejas 'Worried' About U.S. Ambassador's Statement *[Tegucigalpa Radio]* 24
Reina Picks Ministers, Reiterates 'Moral Revolution' *[Tegucigalpa TV]* 25
Roundup of Economic Developments 21 Dec *[LA PRENSA 14 Dec, etc.]* 25

Nicaragua

Daily Publishes Details of Approved 1994 Budget *[LA PRENSA 17 Dec]* 25
Roundup of Economic Developments Through 21 Dec *[NOTIMEX, etc.]* 26
* Ministry Policies Block Growth in Cattle Industry *[LA PRENSA 23 Nov]* 27
* Commentary Views Failure of Transition Accord *[EL NUEVO DIARIO 14 Nov]* 28

Panama

'Black March' Marks U.S. Invasion Anniversary *[Panama City TV]* 29
PPD Names Munoz Presidential Candidate *[LA PRENSA 19 Dec]* 29
Presidential Hopeful Proposes 'Great Civic Alliance' *[EL PANAMA AMERICA 20 Dec]* 30
Roundup of Economic Developments 21 Dec *[LA ESTRELLA DE PANAMA, etc.]* 30

SOUTH AMERICA

Argentina

Cordoba Province Not To Sign Fiscal Pact *[NOTICIAS ARGENTINAS]* 32
Foreign Minister Begins Official Visit to Bolivia *[Buenos Aires Radio]* 32
Economy Minister Cavallo on Effects of GATT Agreement *[CLARIN 16 Dec]* 32
Di Tella Terms 1997 'Key Year' for Recovering Falklands *[NOTICIAS ARGENTINAS]* 33

Bolivia

Attorney General Tenders 'Irrevocable' Resignation *[La Paz TV]* 33
Ω **Bolivia: Economic Briefs** *[Santa Cruz EL MUNDO 9 Nov, etc.]* 34

Brazil

PSDB Supports PT's Motion To Postpone Constitutional Reform *[Brasilia Radio]* 35
Congress Views Budget Cuts, Rejects Taxes *[O ESTADO DE SAO PAULO 19 Dec]* 35

Chile

Spanish Ambassador Says Relations Back to 'Normal' *[Santiago Radio]* 36

Colombia

Cartels Send Letters to Congress Offering Surrender *[EL TIEMPO 17 Dec]* 37
Roundup of Economic Developments 21 Dec *[EL NUEVO SIGLO 11 Dec]* 37
* Police Reforms To Be Tested in Cundinamarca *[EL ESPECTADOR 22 Nov]* 38

Ecuador

President Denies Intention To Resign, Dissolve Congress *[AFP]* 39

Paraguay

Presidential Social Communications Secretary Replaced *[ABC COLOR 21 Dec]* 39
Armed Forces Law Abrogated, President To Appeal *[NOTICIAS 21 Dec]* 40
Senate Not To Promote Policemen Who Violated Human Rights *[ABC COLOR 21 Dec]* 40
Union Leader Says Remarks Warning, Not Threat *[ABC COLOR 21 Dec]* 40

Peru

Opposition Legislator on Need To Remove Fujimori *[EXPRESO 28 Nov]* 41
Roundup of Economic Developments 21 Dec *[Madrid EFE, etc.]* 42

Uruguay

President Names New Air Force Commander in Chief, Deputy *[Madrid EFE]* 42
Vice President's 'Virtual Candidacy' Announced *[EL PAIS 17 Dec]* 43

Venezuela

Velasquez Praises High Command, Confirms Need for IVA *[EL GLOBO 19 Dec]* 43
Roundup of Economic Developments 21 Dec *[EL UNIVERSAL 15 Dec, etc.]* 44

Cuba

Official Measure Bans 'Clandestine Restaurants'

PA2212035493 Madrid EFE in Spanish 0042 GMT 22 Dec 93

[Article by Raquel Martori]

[Text] Havana, 21 Dec (EFE)—It was reported on 21 December that the popular clandestine restaurants known as "Paladar" [taste buds] will have to close their doors in January to numerous customers who frequent them by virtue of an official provision banning such a form of self-employment in Cuba.

The closure warning was made public this week through "Radio Reloj" and by the recent publication of a number of specific regulations on self-employment in the Cuban capital. One of the chapters specifies the food products the marketing of which is authorized. The message "outlawing the paladar restaurants" may seem absurd to a foreign observer because it is tantamount to declaring taste buds illegal. Those restaurants are named after a food-processing company whose owner was the main character of a popular Brazilian soap opera called "Anything Goes," which was on Cuban television until last summer.

Self-employment was permitted for the past few years although it was limited to a small number of occupations. An economic measure broadening authorization to 137 new occupations received the green light in September. The announcement of this measure, which involves "fast-food kitchens," immediately led to a proliferation of this activity that did not always fall under the category of restaurant.

In Havana alone there are more than 1,000 and about 4,000 throughout the island that are installed in the residences of their enterprising owners, according to official estimates. The most common menu of the Paladar restaurants consists of a portion of rice and beans, roast pork, yucca boiled in seasonings, and, in certain cases, also accompanied by a salad, for the moderate price of $1 or 50 pesos in local currency.

The restaurant clients, foreigners and Cubans with dollars, could opt for beer or a refreshment, dessert, and coffee. While waiting to be served, in some cases they were offered the traditional mojito (plate of yucca flavored with garlic and olive oil) and even a video movie or music for relaxation.

Here there are also categories and competition in the offer. In some cases the service is almost comparable to the exquisiteness of a first class restaurant, featuring specialties such as "grilled" lobster, shrimp enchiladas, barbecued chicken, or plates of Chinese food at prices 60 percent lower than those of established state restaurants, principally those frequented by tourists.

In the menu presentation, as in the case of "El Bohio" Restaurant, impeccably established in a luxurious house of the swank Miramar district, a client can enjoy delivery service at a 5-percent surcharge or make a request on the telephone "for carry out" rations.

Among the most recent initiatives, the owners of "Paladar" restaurants got "commercial promoters," who for a minimal fee stood near the hotels and discreetly offered the opportunity to eat native food with as good quality as that of "La Bodeguita del Medio." The origin of the supplies is backed up by store bills in dollars, where they possibly obtained beer and refreshments. Basically, however, most of the products served were obtained on the flourishing black market.

In reality, in the opinion of some observers, the closure of the "Paladar" restaurants was caused by the unbeatable competition created for state establishments. They also believe it responds to strictly political reasons that reflect the different positions maintained by those in the leadership. There are those who defend a certain liberalized economy while there are those who continue to think in terms of a centralized state economy.

Havana Cites WASHINGTON POST on U.S. Blockade

FL2112203393 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Dec 93

[Text] On 21 December, THE WASHINGTON POST reported that the U.S. Government remains firm in its opposition to ease the economic embargo against Cuba, despite the pressures of allied countries and even several U.S. Government officials.

According to the POST, last summer, Alan Flanigan, chief of the U.S. Interest Section in Havana, sent a report to the State Department pointing out that perhaps the time had come to establish ties with the Cuban Government. According to the newspaper, several middle-level State Department officials also have expressed support for a partial lifting of the embargo—one of the last monuments of the Cold War era. The POST stresses the unchanging stand of the Clinton administration regarding the blockade of Cuba and points out that Clinton's refusal to improve ties with Cuba is somewhat motivated by the impact this might have on his reelection possibilities in 1996.

Ambassador Protests UN Human Rights Resolution

FL2112140293 Havana Radio Progreso Network in Spanish 1200 GMT 21 Dec 93

[Text] As a result of Washington's pressures and manipulations, the UN General Assembly has approved a U.S. resolution on human rights in Cuba. The Cuban permanent representative before that organization described the resolution as a black page for the United Nations, and its approval as an inexcusable concession to the

exercise of force by a great power. Ambassador Fernando Ramirez de Estenoz said that the document was fabricated as a result of manipulation and strong pressures from Washington. The ambassador added that the resolution is further proof of the hostile, aggressive policy of the U.S. against Cuba and that without Washington's pressure the document would not have been approved, much less presented.

In an interview with PRENSA LATINA, Ramirez de Estenoz said that of 12 resolutions devoted to specific issues in 12 countries, the resolution that received the least support was the one against Cuba. The only exception was the resolution against Iran, which was approved by the same number of votes as the Cuban resolution. The other resolutions on the subject were either approved by more than 110 votes, or by consensus, while the resolution against Cuba received only 74 votes in favor, 20 against, and 61 abstentions, five more than last year. The Cuban ambassador believes that this year's increase in the number of yes votes is clear proof of the polarization on the issue that has occurred between the north and the south.

Castro Science-Technology Forum Speech

FL2112122893 Havana Cuba Vision Network in Spanish 2250 GMT 19 Dec 93

[Speech by President Fidel Castro at the closing session of the Eighth Science and Technology Forum at the Convention Center on 17 December in Havana—recorded]

[Text] Ladies and gentlemen, as the pioneer [not further identified] would say: [laughter] Throughout the past few days, or should we say, throughout the past few months and on a daily basis, we have read in the newspaper or heard on the radio and television something about this forum. Many meetings were held; I do not know what you call them. The meetings were first held at municipal levels, were they not? They were held in the various municipalities and provinces. Expectation surrounding this forum grew. Everyone believed it would be a great event. And that is exactly what it was. Everyone anxiously anticipated the days when the forum would be held.

It was a great idea to divide this forum in two parts. It was a good idea to give this forum two days for the commissions to debate the topics presented and two days of plenary sessions. I had the privilege of participating in the plenary sessions. There is no doubt that the commission debates were rich and broad. Those commissions met for two whole days. I believe the commissions studied each and every topic in depth. Judging from the topics discussed during the plenary sessions, I would have to say that a leap forward in quality was achieved. I would have to say that we are doing what we had hoped this forum would do. You know that these meetings were implemented to discuss spare-parts matters; those meetings were not related to the special period. Later, the name of the forum was changed. It is no longer a forum to discuss spare parts [words indistinct] but that was no longer enough.

The situation began to get complicated and as the movement developed, we realized that these meetings had to become something more. That was when we got the idea of once again changing the name. That is how it became the Science and Technology Forum. That was not the result of one person's brainstorm; it was the result of the evolution of these events, which were truly becoming science and technology events.

In the beginning, the Ministry of the Revolutionary Armed Forces [Minfar] and Interior Ministry [Minint] comrades did not participate in this event. Their participation came later. We later realized that [words indistinct] proven here. The figures were truly impressive; 148,000 presentations, 200,000 solutions. I never imagined we would attain this level. It is the best possible proof of what man's intelligence and creativity are all about. When I speak of man, I am also referring to women.

These figures seem to be inconceivable. There was so much to do, so much to innovate, so much to increase, so much to do. All this seems to be [words indistinct]. It was precisely the special period that made us all realize how much a movement like this could help the country. We could even say, and we have said it in the past, that there is nothing in the world that can compare to this. The Science and Technology Forum has turned our people into researchers. Yesterday we mentioned that the participation and presence of 600,000 citizens gives you an idea of the magnitude of this event. It gives you an idea of what our country is today, of its spirit and capacity.

This would be truly inconceivable in any other Latin American country [words indistinct] or the so-called First World or developed capitalist countries. I am going to add something else: A movement such as this is inconceivable in capitalism. [Words indistinct] competition, struggle for economic survival of the institutions, beginning by the science research centers. The science and technology forums would not be possible in capitalism; cooperation among the various research centers would be impossible; the integration we talked about here would be impossible. They would all be trying to discover something [words indistinct]. No center would be cooperating with another. The workers would not be inventing, innovating, discovering things. They would not be cooperating with one another. Generalization would not be a word they would use. If one center discovered something, it would not be interested in other centers' use of this finding, much less producing it at cheaper cost, or improving efficiency based on this finding. They would be controlling one another. There would be prizes for no one; there would be no prizes for the region or area that generalized the finding.

[Words indistinct] inconceivable in capitalism, even with all their intellectuals, scientists, and qualified personnel. It is also inconceivable in the Third World because they do not have qualified personnel or the social system [words indistinct]. This huge movement occured during the special period, and it is precisely during the special period that we need it most.

As time goes by in the future, after the special period is over, I believe we will always need this science and technology movement. No matter what we do today, no matter what we must do today to save the fatherland, the Revolution, and the achievements of socialism, we will never renounce socialism. We will maintain the adequate social and political conditions to do what we are doing here today. All that we are doing today multiplies our strength and our talent. This movement is truly decisive in every field. When the movement expanded we did not forget spare parts, equipment, or frontline technology. We have heard thousands of presentations and solutions directly related to spare parts, equipment, and technology. We could say that in all areas, in all fields, we have multiplied the number of presentations and solutions.

I said earlier that the technical and scientific quality attained by our people is evident at this forum, but something even more admirable is also evident: our people's spirit. We have heard beautiful things here and we have seen beautiful gestures. We have also seen and heard words that are of the purest unselfishness and patriotism, of the most extraordinary [word indistinct]. No matter what sufferings we are forced to bear today, no matter what struggles we must wage today and tomorrow, I believe there are very few places in the world where one can enjoy the privilege of seeing so many wonderful, magnificent, marvelous people together, a people who are the expression of our people and the fruit of our Revolution. This fruit was not only sown in our people's intelligence, it was also sown in their spirit.

Even though there are some who, in times like these, become dispirited and who abandon the fatherland's ship; even though we have some bitter examples of defectors and traitors, I would dare to say that only one voice of the many we have heard here at this forum is worth more than all the defectors and traitors put together. [applause] This compensates for everything, this compensates for all the bitterness, this is an injection for that encouragement we need. It is the expression of the work of the Revolution, it is the fruit of the Revolution. It is truly worthwhile to be a revolutionary today. Anyone can be a revolutionary in easy times; however, not everyone can be a revolutionary in difficult times. We are defending very sacred things. When these things are in the hands of men and women like the ones gathered here; when these things are in the hands of millions of people like those who have gathered here; then those sacred values are in good hands, in solid hands, and there is no force in the world capable of destroying them, capable of defeating them.

These are very difficult times. Alone we confront the empire and all its haughtiness and we are not hesitant. Alone we have been capable of maintaining a united people, a disciplined people. Only we have been capable of avoiding chaos, the terrible chaos that overtook those who were not capable of struggling, of defending their banners, of those who allowed everything to collapse, of those who allowed their countries to fall into a chaotic state. Despite it all, our country can today do things like this, give proof like this one. Our country today can tackle the problems we are experiencing.

Every single presentation we have heard helps us overcome the special period. In the past, and we see this clearly today, we had much of everything. In the past we used up 500,000 tons of oil to produce crude oil. Today we do not use a single ton of oil to produce crude oil. Today we strive to increase efficiency; today we strive to put every single pound of steam, every kilogram of sugarcane husk, every kilogram of sugarcane, to better use. Today we seek ways to make our sugarmills consume less electricity for every ton of sugar cane milled. Today we strive to ensure that all the power plants provide more and more electricity to our national network. Today we praise and recognize those sugarmills, like the [word indistinct] and the Mario Munoz for their outstanding performance in providing more electricity even though they are confronting weather problems, fuel problems, and other problems similar to those confronted by the other sugar mills. Today we strive in the use of straw. [Words indistinct] 90 percent of it is burned. We are making briquettes that can even be used for cooking purposes. Today we strive to mix diesel with water and find [words indistinct]. Today we strive to make our boilers efficient and to maintain an appropriate energy balance. Today we strive to ensure that every tractor, locomotive, and truck will use less fuel. Today we strive to make our cooking stoves more efficient; we strive to ensure that these cooking stoves will use less [words indistinct] can be mixed with diesel. We strive to improve our machines, to prevent accidents. We strive to better use fuel.

Electricity is one of our Achilles heels, one of our weakest points; therefore, much of our attention is directed to that sector. A large part of our attention has been directed to that sector; however, we have not overlooked other areas. In the past we had more tractors than we needed; in the past we had more diesel fuel than we needed. We had diesel fuel not only for the tractors but also for rides, for going to ballgames, for taking a girlfriend to the movies.

I learned about things, in other times, for which (?people struggled) but which were tremendous, such as people riding around in a tow-truck, or in a front-end loader, people traveling for several kilometers in such vehicles to take care of personal business.

Before, we used to have more than enough spare parts of one kind or another. Now we go years without receiving parts. So we have to recycle parts, build them, be frugal

with them, do everything we are doing to be able to (?survive). And (?no one) can understand how it is possible for there to be sufficient tractors (?fitted up), and sufficient cane combines, and rice combines, and equipment, knowing as people do that we are not receiving spare parts—because we receive very few. How would all this be possible without this effort? How would this be possible without this movement. In short, how would it be possible for so many things to run when there is a shortage of everything, from fuel to spare parts and even the raw materials or metals with which to manufacture many of these spare parts? How would it be possible without this effort, without this movement, without this ability by our people to invent things?

We have had to face up to not only the catastrophe of the abrupt disappearance of the socialist bloc and the USSR, but we also have had to face up to calamities such as we have rarely faced: the famous storm of the century that swept over eight of the island's provinces, from west to east. And right now, at the beginning of the dry season, the rain in some places reached as much as 700 millimeters in 36 hours—such as the rain that fell in Guantanamo Province, and around Sagua, over there in Holguin. There were places where it rained more than it did during [Hurricane] Flora. They say the Sagua River rose, over there in eastern Cuba, higher than it did during Flora.

We have had to face calamities such as that strange epidemic that cropped up here and affected tens of thousands of people. I cannot forget those days, during which all our scientific potential went on a war footing to fight the epidemic: the many hundreds of hours of meetings and of work; the clinical picture in Santiago de Cuba at a given moment; the strength of the epidemic here in Havana, in Pinar del Rio, and everywhere—until we finally managed to vanquish it, reduce it to an insignificant miminum.

We had to face all those things simultaneously: the storm surges in the city of Havana; the loss of mattresses, furniture, and audio-visual equipment. Because, to make things worse, it happened suddenly, in a matter of hours. Many people did not have time to evacuate anything. For two consecutive years, we had the two highest storm surges from the sea into the city of Havana and along the coast of the city of Havana! And we had to seek out resources so as to go to people's aid, so that no one would be left defenseless. And although we had just a little cement, out of that small amount of cement, we had to take some of the little available and go there to provide some help. And if there was hardly any stuffing with which to make mattresses, we had to see where we could dig up some stuffing so as to make mattresses for those who had lost their mattresses; and then we had to repair the television sets, adhering to the principle that no one must be left abandoned in this country! Beacause of all this, we looked for resources where there weren't any, tackling matters without anyone losing heart.

How would we have tackled such problems if not through the population's spirit, with the population's ability to fight and to face up to these calamities in order to continue working, to continue struggling? They were trying to produce in agriculture without fertilizers, without (?animal feed), without irrigation, and on occasion even without fuel. And there were other climactic phenomena, in addition to those mentioned—for example the rains throughout the last sugar harvest period! There were mills in Villa Clara Province that had to stop operations for two months—in northern Villa Clara and Sancti Spiritus. There were mills that because of a lack of certain resources even had to begin the harvest in May—such as the Frank Pais Mill! And there was the incessant rain that fell in March, in the dry season! And then we went into a spring without rain! And everyone was contemplating a June, July, and August without rain, affecting the growth of the cane and the [words indistinct].

What an effort was made to begin that harvest, to guarantee the minimum, to get the maximum out of the cane we had available, that is, all possible adverse circumstances came together in many spheres. Nevertheless, not a single school was shut down. How is such a miracle possible?

Not a single hospital was shut down. How is such a miracle possible? The infant mortality rate did not go up (?and) the general health indicators improved. How could such a miracle be possible without the population we have—regardless of any weak people there may be, regardless of any people that may become discouraged, regardless of the tremendous material difficulties we are facing today!

I repeat: How is it possible to tackle such adversities in the current times? The enormous number of (?good) persons among this people [?is how]! Because of the enormous number of revolutionaries there are in our country! Because of our people's enormous awareness and enormous training, their steadfastness, persistance, and perseverance!

It was truly impressive to listen to the comrades of the Armed Forces and of the Ministry of Interior. You know that long lines of ships used to arrive in this country every year, and every five years, [as heard] with spare parts, munitions, weapons, motors, and materials of all kind that the Armed Forces used to receive, including their shoes, their clothing!

And having to use sophisticated armaments, how do you maintain that armament in a well-preserved condition, in operational condition?

You can well imagine that if a truck or an automobile has problems, what must a plane without spare parts be like—a combat plane, with so many sophisticated things, or a tank, the antiaircraft weapons, and all the materiel used in modern warfare? Someday we will have to have it recounted that our Armed Forces and our Interior Ministry were capable of maintaining that war materiel

in top shape and combat readiness—tanks and planes and cannons and radars and ships, such complicated things! When those (?supplies) did not come for years, how did they manage to do it? [passage indistinct] and constitutes a great proof of spirit on the part of our people and our Armed Forces—which are our people in arms.

How have they managed to progressively reduce costs, cut expenses? How have they managed to progressively develop self-sufficiency so as not have to compete with the population for food, and in order to even, on occasion, supply the population with certain products? How did they maintain the training of a member of a tank-crew without any fuel, without using any fuel for the tank?

(?Now) there is indeed fuel for the combat tank, fuel reserves. Do anything except leave the weapons without munitions, and the war materiel without fuel! But how do you manage to train the personnel so that they can shoot, so that they will be in top combat readiness—without wasting either fuel or ammunition? Well, that also explains the Armed Forces' enormous participation in seeking solutions that are useful for waging war and also useful, very useful, for civilian life.

I say that one day history will have to record all this. And we are not standing by with folded arms! In the middle of a ferocious blockade, we are making every effort to overcome this special period, to overcome the obstacles I was talking about yesterday, the obstacles imperialism places in our path so as to obstruct our efforts, negotiations, and initiatives with a view to sabotaging everything—from the development of tourism to the development of biotechnology and the pharmaceutical industry [words indistinct] in certain extremely important areas, such as the sphere of energy, we are working very hard.

We are looking for fuel. We have reached agreements with different foreign companies for searching for oil employing the most advanced means—techniques and equipment—so as to poke around throughout the national territory, and, if there is any oil, find it and take it out of the ground without wasting a minute! And prospects [words indistinct]. One good proof of this is that this year we will have produced the greatest amount of oil to date: 1.1 milion tons. This oil is still to a great extent heavy oil. And that is the kind of oil we have to send to the thermoelectric plants or the cement plants, for example; and it is quite corrosive, and obliges us to protect the boilers and other installations. Nevertheless, we have not lost hopes of finding light oil. There is a lot of area to explore. We are now searching for oil with the (?seismic) equipment that is the latest word as regards searching for oil quickly.

The blockade has not been able to prevent our reaching agreements with certain companies; nor has it been able to prevent us from making rapid progress in search of a solution to our greatest weakness: fuel. Here, quietly but very persistently and with great urgency, we are working on seeking medium-term solutions, as medium-term as possible, as regards fuel availability.

It hurts terribly to think how many things we have had to halt because of a lack of fuel: the preparation of land in the necessary quantities; irrigation in places where we have the systems ready to go but fuel is lacking; the construction of dams and canals and systems for watering, because we cannot use what we have; the construction of systems [words indistinct] in rice, and for drainage and irrigation of plots in cane agriculture. How many brigades we had organized and had at work throughout Cuba! There were 200 brigades for drainage and irrigation of cane plots. They are all at a standstill. (?We had) a goodly number of brigades for the [words indistinct] system in rice, to build the terraces and seek far higher yields and save water. They are all at a standstill. The dam-building brigades are practically at a standstill, as well as the irrigation-system-building brigades. Irrigation via the microjet system was made a priority, in the [words indistinct] to produce foodstuffs. And that is a priority activity here.

How many factories of the [words indistinct] have we not had to stop? [Words indistinct] cement, of bricks, of blocks, of corrugated steel bars for construction, of paving stones, of floor tiles, limited to producing those most indispensable for the priority programs. [sentence indistinct]. Now the times we have had the resources, we have had to make [word indistinct], commercial associations, in order to get up-and-running factories that were at a standstill—seeking some kind of collaboration from abroad, working with capitalist foreign companies. And this is done amidst Yankee pressures.

It can be said that out of every 10 operations, nine come to a halt; nevertheless, one does make it. And if there are 100, this means 10 come out of it. And if there are 1,000, 100 will come out of it! It is under such conditions that we have to work. Under such conditions are we having to struggle! Nevertheless, we are not dropping anything! We are preserving everything we can [words indistinct].

We negotiate, but it is not a bourgeois government that is doing the negotiating! It is not a sell-out government that is doing the negotiating. It is a revolutionary government that is doing the negotiating! It is a government of the people and for the people that is doing the negotiating. It is not a government of corrupt individuals, whose ministers allow themselves to be controlled, bribed, that is doing the negotiating! It is a government of honest people who have integrity that is doing the negotiating—people who give all those who negotiate with us reason to admire them!

I was telling you how the world was greatly in need of a vaccine against corruption. Fortunately, the Revolution, through its sense of morality, through its sense of responsibility, immunized the basic cadres against corruption. I do not mean to say that corruption is nonexistent in the country. There is always corruption. There are many people who [words indistinct], everywhere. But there

where lie the principal responsibilities, there where the main decisions are made, there is no corruption possible. There is no corruption capable of enticing. And those who negotiate with us know it. And that is why we are beginning to achieve things. That is why we are getting results. That is why we are beginning to do business—but business deals in which the most important thing is, above all else, the nation's best interests.

Also, this country will never be relinquished, will never be sold out! And the structure, the fundamental part, the essence of the Revolution and socialism, shall be maintained! Because without socialism and without the Revolution, we would not even be an independent country. We would not be anything! We would have to return to the ghastly past that we have already known, and known only too well—the ghastly past which, although some may not themselves be sufficiently familiar with it, they have surely heard their parents and grandparents talk about.

They will be able to read enough about it in history books, and will be able to compare sufficiently with what is happening in other countries, countries that are not blockaded and harassed.

Some of those countries will be countries that possess abundant natural resources. Nevertheless, those countries will not be able to say, as we can, that there are no illiterates there. They will not be able to say, as we can, that there is not a single child without a school to go to. They will not, like us, be able to say that there is not a single sick person in the country without medical assistance. They will not, like us, be able to say that the infant mortality rate in the first year of life is under 10 [per 1,000 live births]!

Even many developed countries cannot say that. That is the Revolution. Such are the fruits of the Revolution. That is why we must be able to defend it with tooth and claw, to the last drop of blood. Above all, we must be able to defend it with the moral conscience, courage, resolution, and heroism that is a characteristic of our people, a people who were not born yesterday. Rather, it is a people who proved capable of fighting for 10 years, in (?manacles), against one of the most powerful nations of that time; a people who proved capable of withstanding even Weyler's concentration; a people who had to suffer the intervention of the United States, and did not become truly free until 1 January 1959 [applause], and who was then able to do its duty toward the fatherland for 35 years and its duty toward the world.

It is all these values that we are defending [5-second break in reception] and a people here, a people who recall the Mambises and Sixty-Eight [11-second break in reception] without parallel in history, the most powerful imperialist power on earth; a people who did not tremble at the Bay of Pigs, nor hesitate to fight and crush the enemies; a people who did not quake during the October crisis. No one will ever be able to vanquish this people. That is our firmest aim. That is the intention made evident by everything we have discussed here, because Revolution is to defend the fatherland. It is to write history.

The difficult times will pass. They will have to pass because we are not revolutionaries in easy times. We have the honor—the immense honor—of being revolutionaries during difficult times. [applause]

None of us will forget these forum days. The forum is not ending today; it is beginning today, because as soon as the last word has been uttered at this ceremony, we will already be working toward the Ninth Forum. As of early tomorrow we will be working on the Ninth Forum. We will already be involved in a forum because the forum is not a single day's event; it is the work of an entire year.

The Science and Technology Forum is one of the most extraordinary, one of the most marvelous movements the Revolution has created during the special period. [applause] We will see one another again. We will be moved once again by the kinds of emotions we have seen today. Men and women will again form lines to receive their diplomas of recognition. Outstanding technicians, laborers, scientists, rural folks, [words indistinct] will again express their feelings here. They will again come up to this podium to give an account of what we will have done in 1994; and of how our prognoses are turning out; how the contributions are being generalized; how we are becoming ever better; how we are holding an ever-more-serious meeting.

Athletes may be able to rest after the Olympics, but we ourselves cannot rest a single day, a single minute. We ourselves have Olympics every year, and many hours of training daily.

Perhaps next year we will have 650,000 or 700,000 people participating in this movement instead of 600,000, and in the same way that we here, a number of days ago, experienced the emotions of seeing the Cuban Revolution Veterans Association formed, we see in you the Association of Science and Technology Fighters [Asociacion de Combatientes de la Ciencia y de la Technica], which today means fighters for the Revolution, fighters for the Fatherland, and fighters for socialism. [applause]

This is what we are today and tomorrow history will have to remember our work because it will remain here for today, tomorrow, and always. In the future, we will innovate on our innovations. When there is no longer a special period, there will be even more science and technology, and it will be even more necessary because we are learning to solve difficult problems today. Today we are learning how to conserve. Today we are learning to build under the most adverse conditions. But tomorrow we will build much better and much more—under favorable conditions. Nevertheless, I do not think anyone will ever struggle with such merit as those who struggle today, with all the selflessness and spirit of sacrifice with which people are struggling today. I am convinced that future generations will feel proud of this

generation, the generation that did not allow itself to be vanquished by any obstacle whatsoever, the generation that did not falter, the generation that did not give up.

It is marvelous to see everyone united here—scientists, laborers, rural folks, agricultural workers, and those who labor in the fields [trabajadores del campo], manual laborers and intellectual workers, scientists, members of the military, FAR and Minint troops—like a single man, like a single arm with a single fist: the same fist with which we know how to strike a blow at adversity; the same fist with which we know how to defend our ideas, our cause, and our fatherland; the same fist with which we will be capable of defending any enemy [as heard].

For we are not simply mouthing words and slogans but are rather, expressing our deepest feelings and volition when we say: Socialism or death. The fatherland or death. We shall win. [applause]

Fidel Castro Visits Matanzas Oil Fields

FL2112150993 Havana Radio Progreso Network in Spanish 1200 GMT 21 Dec 93

[Text] Commander in Chief Fidel Castro learned first-hand about the exploratory work being carried out in the new oilfields in northern Matanzas Province. Castro visited areas where El Centro Drilling and Exploration Enterprise operates. During the visit by the leader of the Revolution, it was reiterated that Matanzas oil workers contributed significantly to the country's production of more than 1.1 million tons of oil in 1993. This is the highest production ever in Cuba.

Fidel Castro also expressed interest in learning how the current sugar harvest and potato planting are going in Matanzas, as well as the work being done to develop the tourist plan, especially in Varadero.

Congratulates Power Plant Crew

FL2112193293 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Dec 93

[Text] Commander in Chief Fidel Castro visited Matanzas Province where he learned of the successful completion of the maintenance work at the Antonio Guiteras Thermoelectric Plant. The maintenance work was completed ahead of schedule. Fidel sent a letter congratulating everyone involved in the maintenance work. In his letter, Fidel described the success as a great feat. He told the Antonio Guiteras Thermoelectric Plant workers that: On a date, so close to the 35th anniversary of the triumph of the Revolution, you have contributed strongly and significantly to the historic struggle we are today waging in defense of our independence, national identity, and the future of the fatherland.

Foreign Minister Stresses Media Role in Minrex Work

FL2112221893 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Dec 93

[Text] Foreign Minister Roberto Robaina met just a few moments ago with delegates to the Sixth Union of Cuban Journalists [UPEC] Congress to speak about the work of the Ministry of Foreign Relations [Minrex] and the media.

[Begin Robaina recording] In the ministry, where I work, the work we conduct with you is extremely useful for the body I represent. The work we conduct with you....[pauses] I believe there are clear examples in which I have discussed the most difficult issues and I have never found myself needing to say this is on or off the record because, first of all, that is not my duty. When we work in a normal and smooth fashion, the reporter himself—and several reporters have asked me: Can we somehow handle this? Is this the time for this or that?—puts aside all worries about being allowed to publish this or that.

I repeat: I have no complaints about the work of the media. I might be displeased with the work of the media in the same manner that I am displeased with a number of things, but in my opinion it is my duty to deal with my discontent about the work of the Minrex.

At stake is how to actually make the UPEC Congress what Cuba needs right now, not what a particular individual or any one needs. I think you have to free yourself of certain things, certain loads, certain things that have nothing to do we what we want at present. I sincerely hope to see aggressiveness in our reporters in the best sense of the word, just as one sees aggressiveness in other parts of the world, aggressiveness in search of news.

I was mentioning that with our reporters we can and dare to do more. I do not want to eliminate any channels or dismiss anything but use what is established. I stress to you that you have room to experiment with the Minrex, room for the experiment we want to conduct. I do not have to explain the experiment we want to conduct with the Minrex. We have publicly stated what media we need, the discussion we need for the reality we have. [end recording]

TRABAJADORES on Future Role of Unions

FL2212001193 Havana Radio Rebelde Network in Spanish 1800 GMT 20 Dec 93

[Text] The 20 December edition of TRABAJADORES newspaper features an editorial which analyzes the role of the union movement in the coming period of changes while establishing certain guidelines on how to act under the new circumstances. The editorial is entitled "Unions and the Present" and gives continuity to other editorials published in the newspaper:

Perhaps everything being said could be summarized in a short paragraph. In the future, the functions of the administration and union will have to follow a design whose supreme and unexcusable goal is economic efficiency. In this more or less near future, in which every management will find itself forced to implement rigorous control, demand rigid discipline standards, and manage material, financial, and labor resources with greater autonomy and execution capability, the unions will have a more defined field of action and a level of specific responsibilities which they never before had.

For many years, the great centralization of economic decisionmaking, the long-standing paternalism and egalitarian mentality, the divorce between results of production efforts and workers' income, the custom of solving contradictions through a buddy system or the generous pocket of the state's budget, made possible a labor climate that in all appearances was free of conflicts, thus leaving very little room for the role of a counterweight, which is the union's task. For these same reasons, other essential tasks of the union such as emulation campaigns, holding production and service meetings, and collective labor accords were frequently weighed down by formalism and ritual. We would be missing the point if we were to believe that those vices have not left marks in the body of the union movement; if we were to believe that without changing we are in conditions to successfully face the transformations that will emerge in the labor, economic, and social sectors of Cuba.

As we approach the date of the 17th Cuban Workers Federation [CTC] Congress, is it opportune to become aware that we, the union leaders, from the top levels of the CTC to the base, also have to conduct a change of mentality and reinforce the will to eliminate in practice every anachronism, every trend to formalistic actions, which are a mismatch with the true reason for being of the union movement.

It is time to once again face certain questions: What do we have unions for? What should distinguish us in terms of structure, method, language, and functions from the management apparatus and other political and mass organizations?

It is time to begin implementing those actions that definitely makes stronger and more operational the union bases in order to clearly represent the direct and specific interests of the workers in every work center without rejecting the essential harmony between the global state strategy of the revolutionary state and the actions of the unions at each local.

It is true that the reorganization of the state apparatus and the drive of enterprises toward the adoption of clear mechanisms of efficiency and control will be factors that will contribute to the joint work of management and the unions in the common struggle to increase productivity and the quality of the economic effort. However, it is good to be aware that that joint work which in the future will be defined by the exact and specific measure of results, attained by focusing efforts and talents that will be valued by an equation of duties and rights, has to be forged in the full exercise of the corresponding authority and functions of each, the management as well as the union.

We know, thanks to considerable experience, that true unity is attained when frank criticism and timely debate is not absent. The voice of the union will have to be heard in the future with accents of its owns. The world of the union sector will pivot more each day around collective labor accords and the struggle for the just balance between duties and rights. The role of the union leader in these looming worlds will be more closely linked to the leadership because the workers will elect from their ranks only those better qualified to represent their interests.

We have said that the workers in our society are not only the owners but also our own employees. Thus, it is understandable that the union cannot turn a blind eye to the negative attitudes of the workers. Likewise, it cannot remain silent before mistakes, insufficiencies, and ungrounded pretensions of the management leadership.

Faced with more complex and demanding tasks, in the future the unions have to steer clear of demagogy, populism, sectarianism, and economism [economicismo]. We have to prepare to undergo, without suffering ideological setbacks, the confrontation with realities that at times will clash with principles which we should not relinquish and that we have always believed to be sacred. The unity of all the workers around national sovereignty, the Revolution, the party, and the ideals of socialism are the greatest wealth of the Cuban nation and the very guarantee of its existence.

If the unity of the workers and our entire people were to crack we could lose the independence and accomplishments of socialism. In this case, the ones with the most to lose would be us: the workers. All our efforts should be aimed at maintaining and enriching that unity on the basis of paths of actions, assuming the full burden of the corresponding institutional autonomy.

Let us begin to think: What can we do to improve? Let us seek the best advice in the experience and collective wisdom of the workers. Let us sharpen our intelligence and understanding in order to face the realities of today and tomorrow.

Marti said: The fight takes place when the troops are ready for the battle. Do not wait to begin a struggle for we have a clearly established strategy. Our strategy in this crucial hour of Cuba's revolution is Marti's revolution, Marxist revolution, proletariat revolution, and socialist revolution.

Lionel Soto Continues Economic Talks in Russia

FL2112221993 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Dec 93

[Report by Fernando Davalo from Moscow]

[Text] Today Lionel Soto, vice president of the Council of Ministers of Cuba, continued his talks with Russian officials regarding the outlook for a bilateral economic exchange and the possibility of signing trade agreements. These talks are aimed at giving continuity to the process of reactivation of the economic and trade ties with Russia. It is expected that the agreements will be signed in the next few days.

To date, Lionel Soto has been received by Vladimir Mashchits, president of the State Committee for Economic Cooperation, and (Ud Gudinov), first vice president of the State Committee for Economic Cooperation. The State Committee for Economic Cooperation is responsible for economic cooperation with the former Soviet republics and countries that were members of the Council for Mutual Economic Assistance, including Cuba.

Lionel Soto also met with (?Arkadiy Volskiy), president of the Union of Russian Industrialiasts, an organization with more than 11,000 economic leaders, including those attached to the industrial sector and Russian high technology industries. (?Arkadiy Volskiy) also heads the Civic Union, one of the parties that participated in the recent legislative elections and which won approximately 20 seats.

The economic and commercial talks between Russians and Cubans continue within a positive work framework. It is expected that these talks will end this week with the signing of the new documents.

ANPP To Discuss Dollar Decriminalization Draft Bill

FL2112191793 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Dec 93

[Report by Teresa Valdez]

[Text] The new period of sessions of the National Assembly of the People's Government [ANPP] has been announced for 28 and 29 December. At that time, the draft bills passed by the Council of Ministers in these past few months will be submitted for approval by the deputies. Among these draft bills is Draft Bill No. 140, allowing people to have hard currency. Since laws are passed in response to the people's needs, their implementation also influences the commission of those crimes they were made to control. In practice, these crimes disappear. That is the case of those people who received dollars abroad and exchanged them in the country at the rate of two pesos to the dollar.

Recently, the Fourth City of Havana Tribunal heard case number 390. This case involved the illegal trafficking of local currency, foreign exchange, precious metals and gems. The people involved in this case were Javier Llana, Juan Abreu, and Mexican citizen Renan Adrian Hurtado. Javier Llana and Juan Abreu were caught in Fraganti one morning when they were sleeping inside a white Lada parked on the road to Chamba, Ciego de Avila. They were going around the country delivering national currency for which they would be reimbursed in the United States. The policemen seized 99,760 pesos and addresses in Villa Clara and Ciego de Avila.

Since Mexican citizen Renan Adrian Hurtado traveled frequently to the island as a tourist, he was arrested a few days later at the Jose Marti Airport. Hidden in the heel of his shoe were 135 slips [preceding word in English] with delivery addresses and thousands of dollars to be delivered. In this case, the magistrates applied Article 235, paragraphs E and F, because the decriminalization of the dollar does not apply to the crimes established in those two paragraphs. The most important thing about this draft bill is that it closes a money-making channel, people who made a lot off the needs of others. This also represented heavy losses for the Cuban state. With the implementation of Draft Bill No. 140, no one has to commit this crime. The people can now use their legally obtained convertible currency. Life is law and law is life.

Station Comments on Excess Money Problems, Solutions

FL2112175293 Havana Radio Rebelde Network in Spanish 1255 GMT 21 Dec 93

["Our Opinion" commentary by Ariel Larramendi]

[Text] The national economy is a complex system in which many factors mingle and which can be briefly summarized as production, distribution, and consumption. When production is upset for reasons known to all of us, distribution and consumption are also affected sending disturbing signals to the complex economic process.

For example, among those factors that influence the current economic situation in our country are: the large amount of money in the hands of our people who, because of restrictions, cannot spend it; the large number of bloated personnel rosters at centers that do not work to the maximum of their capacity; and social security. These large sums of money also increase because of the low prices paid for the products offered to the people. These low prices are only possible because the government subsidizes several of our basic products. In other words, production cost is higher than the price paid by the people and the state has to compensate for that difference between cost and purchase price. This increases the national deficit. There are also certain things for which the people should be paying, which they stopped paying or never paid, such as income tax, water, which is provided by the state, home tax assessment, and others. This creates the impression of a state that does not need to maintain an equilibrium in its internal finances.

We should all know that this money in the hands of the people who have no place to spend it or services to pay for takes on a new life. It is put into the black market and

becomes independent of the official currency, thus creating the problems we all confront. This money contributes to a shortage of products for distribution, to speculation, rerouting of funds, theft, and corruption.

Anyone seeing this knows that this situation cannot continue. The problems that affect the people also affect the State. It is therefore necessary to put an end to this situation. This must be done with the everyone's help. On the one hand, the state will implement its studied, fair measures, while attempting to minimize the problems that could result; on the other hand, the people must be aware that the measures to be implemented will protect the person who survives by holding a job, the person who earns low wages, the vast majority essential to overcoming the whirlwind of monetary disintegration currently worsening the special period. There is no other solution. That is what all this is about.

Special Report on 1993 Economic Changes

PA2212020393 Havana Radio Havana Cuba in Spanish 0000 GMT 21 Dec 93

["Special" report by Amalia Sanmartino and Roberto Morejon on economic changes in Cuba in 1993; from the "Evening Information Review" newscast]

[Text] [Morejon] At the moment in which it experiences its worst economic crisis due to the disappearance of the socialist field and the intensification of the U.S. blockade, Cuba tries to get ahead in a very hostile world.

[Sanmartino] In the international context, the prevailing rules are very unfavorable for underdeveloped nations, but Cuba had been able to overcome them thanks to its favorable relations with the now dismantled Soviet Union.

[Morejon] Cuba is trying to find an economic model that will allow it to preserve the main economic conquests of the project that began in 1959 and which is about to turn 35 in spite of the predictions of its bankruptcy.

[Sanmartino] The Cuban authorities began implementing a number of measures that are aimed precisely at adapting the country to an international order characterized by a merciless neo-liberalism and the laws of the market.

[Morejon] What is being done in Cuba, however, is not shock therapy. The top leaders insist that the current economic decisions will end harmful practices that do not encourage production and block efficiency. They also insist no one will be abandoned.

[Sanmartino] The first measures were implemented in August. These measures were announced on 26 July during a historical speech by President Fidel Castro. The explanations made by the Cuban leader conveyed the government's intentions to confront the difficult national moment with a realistic outlook and to use mechanisms which could even include concessions in light of the current emergency.

[Morejon] The measures included the decriminalization of the possession of foreign currency, an increase of family visits by Cuban citizens residing abroad, more openness to foreign capital, and support for all the production and services that may generate income.

[Sanmartino] The efforts for the construction and use of the tourism installations were doubled, as were the efforts for marketing and exporting products from the pharmaceutical and biotechnology industries.

[Morejon] The most important measure was the decriminalization of the possession of foreign currency. Through Law Decree No. 140, the state authorized all Cubans to hold foreign currency, open bank accounts, and purchase goods and services at the establishments that handle exchangeable currency. Such an important decision is not exempt from controversy as it introduced an inevitable inequality between those who hold foreign currency and those who do not.

[Sanmartino] Nevertheless, the state still provides, for all Cubans, free access to health and education and the products it delivers by rationing, even though the latter underwent palpable cuts.

[Morejon] A few days after the decriminalization of the possession of foreign currency, Decree Law No. 141 on self-employment was approved. This increased the number of jobs that can be carried out privately to 135, as long as the those interested pay a fixed monthly tax.

[Sanmartino] At its 10 September meeting, the Politburo of the Communist Party of Cuba approved important changes to state agriculture by delivering over 4 million hectares of land, in usufruct, to the agricultural workers, who then became the owners of the production and the means to attain it. Thus, the Cuban State began a continuing process aimed at reducing state-owned farms, which are too large to be currently operated due to the lack of fuel, tractors, spare parts, and labor.

[Morejon] This measure, which implies greater autonomy in the agricultural sector, caused a broad mobilization of those interested in joining the basic units of cooperative production, which must allow the members of the cooperative to supply food for themselves and their relatives, improve the living conditions in the fields, and guarantee an appropriate income for their products.

[Sanmartino] This group of measures will be complemented by others aimed at cleansing the country's monetary and financial situation, which suffers a harmful excess in currency circulation; 10 billion pesos instead of the 3 billion that would be considered normal.

[Morejon] Cuba, thus, develops unstoppable reforms starting off with mechanisms that, up to now, were considered to be exclusive to capitalism, but which can be perfectly reconciled with socialism.

Roundup of Economic Activity Reported 17 Dec-20 Dec

FL2112141993

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 16 and 20 December.

Radio Progreso at 1200 GMT on 16 December reports that the Los Palacios Agricultural-Livestock Industrial Complex expects to finish planting, by 20 December, the 150 caballerias of tomatoes scheduled for planting during the current campaign. At present, this work is being done by members of the Revolutionary Armed Forces.

Radio Rebelde Network at 0000 GMT on 17 December reports that a donation of $146,000 in medicines was provided by an international firm in Slovakia, to be distributed to hospitals throughout the island.

Cuba Vision Network at 2320 GMT on 17 December reports that a Mexican Rotary Club delegation arrived in the country "a few minutes ago." The report adds that the Mexican group will finance the purchase of polio vaccines to cover Cuba's needs through 1998.

Radio Rebelde Network at 0000 GMT on 18 December reports on a draft agreement signed between the National Association of Small Farmers and the United Nations Development Program. The draft agreement calls for the allocation of $35,000 to provide the Antonio Maceo Cooperative in Holguin with drinking water and a sewer system and to create animal protein sources at the Waldo Diaz Cooperative in Havana.

Radio Reloj at 1501 GMT on 18 December reports that workers from Guantanamo and Santiago de Cuba Provinces are working 12-hour days or longer, repairing bridges and doing other such work in an attempt to reestablish communication by rail between Guantanamo and the rest of the country. November's heavy rains and flooding severely damaged 15.6 km of railways. Partial resumption of railway service is expected to be possible "in the next few weeks." In order to repair the central network, which is responsible for 80 percent of the transportation of merchandise, a bridge will have to be rebuilt.

Radio Reloj at 1504 GMT on 18 December notes that 3,000 new rooms for lodging tourists, some of them remodeled rather than built from scratch, are to be finished before the end of 1993. The Cuban tourist hubs in greatest demand are Havana, Guarda la Vaca in Holguin, Santa Lucia in Camaguey, (Cayo Largo del Sur), and Varadero, where there are close to 7,700 rooms. "According to indicators, over $500 million has been brought in this year."

Radio Reloj at 1514 GMT on 18 December announces that the workers of the Coppelia Ice Cream Factory in Camaguey have met their committment for 1993 15 days ahead of schedule and for the 17th consecutive time, producing 1,540,000 gallons of ice cream thus far this year. The work group plans to produce an additional 70,000 gallons of ice cream before the end of the year.

Radio Rebelde Network at 1800 GMT on 18 December reports the following economy-related events: A document for a project between the National Association of Small Farmers and the UN Development Program was signed, stipulating a $35,000 fund for developing two agriculture-livestock production cooperatives, the Antonio Maceo in Holguin and the Waldo Diaz in Havana. PNUD has authorized, for Cuba in 1993, $60,000 to be distributed among nongovernmental organizations and self-help groups.

Holguin Province's local industries have contributed over 25 million pesos to the national economy. Local industry is developing satisfactorily in all municipalities. The director of the production department of the provincial enterprise says they have produced: 15,578 toys, 87,086 pairs of shoes, 33,815 folders for use in schools, 977,869 brooms, 155,787 hats, 1,333,941 bottles of bleach, 1,954,969 containers of liquid soap, and 120,295 deodorants. He adds that to produce these goods, natural resources are used as much as possible, as are scraps from other industries. Holguin's local industries hope to contribute approximately 35 million pesos to the national economy in 1994, despite limitations of the special period.

"Up to last Friday," Pinar del Rio Province had planted 700 caballerias of tobacco, a figure that is below what had been programmed. Nevertheless, given the current weather and other conditions, the province's tobacco growers are convinced they will be able to meet their plan.

The 1993 potato-planting campaign has begun in Holguin Province. The program calls for planting approximately 20 caballerias of potatoes. Planting has begun on the first two caballerias.

Havana Tele Rebelde and Cuba Vision Networks at 0100 GMT on 20 December reports that the Ministry of the Interior [Minint] Integrated Construction Enterprise uses the pressed-brick technique to produce low-cost bricks of soil and cement. These bricks are 12 parts soil to one part cement. To this mixture is added enough water for appropriate malleability. The brick is manually put into molds and pressed, then dried and cured. Seven days after pressing, the bricks attain a resistance of 30 kg of pressure per square cm; after 28 days, they acquire a resistance of 50 kg of pressure per square cm. They are able to acquire such great resistance because they are given the proper amount of humidity relative to the press used. They are later cured and the country's relative humidity is also taken into account. "With its six machines, or manual presses, the Minint construction enterprise can produce 5,000 bricks in eight hours, the quantity required for a housing unit, without consuming

a single drop of fuel." This paper will be sent to the Ninth Science and Technology Forum.

Radio Reloj at 2036 GMT on 20 December reports that the German cruise ship M.S. Europe arrived in Santiago de Cuba on the morning of 20 December with 150 tourists aboard—mostly Germans. This afternoon it departs for Jamaica. The tourists visited several historical sites and saw a folk performance. This is the second trip of the vessel to the region. The passengers delivered a school- supply donation to local Cuban Institute of Friendship with Peoples officials in a gesture of solidarity with the Cuban people.

Radio Reloj at 2044 GMT adds that Roberto Rodriguez Contingent workers have begun construction in Cayo Coco of an airport with a 1,200-meter runway to boost tourist transportation. The airport, designed for medium and small planes, will be fully equipped with fuel facilities, taxiways, control tower, and lights. As part of the infrastructure being built to develop tourism, the Cuban Civil Aeronautics Institute inaugurated the Maximo Gomez Airport terminal 20 km north of Ciego de Avila.

Radio Reloj adds at 2049 GMT that over 300,000 quintals of citrus fruits have been harvested during 1993 by the Lola Ruiz Joint Enterprise S.A. in Sierra de Cubitas, Camaguey. The result surpassed the production plan for 1993. The enterprise expects to harvest a total of 400,000 quintals by the end of December—a record. The major bulk of the crop is grapefruits, oranges; and on a lower scale, lemons, limes, and mandarins. Most of the crop was exported to Western Europe following two years without income from this source, due to the loss of traditional markets in Eastern Europe.

Cuba Vision at 2320 GMT on 20 December reports that the Santiago de Cuba cruise ship, the first organized by Cuba in 35 years, arrived in the city of the same name. This tourism option was warmly received by tourists in local hotels. Habanatur, the (Acemex Group), and the (Fratelli Cosulich Company) are partners in this project. The vessel, built in Norway in 1966, has a 800-passenger capacity, a pool, bar, shops, restaurant, several rooms, and a casino that operates only in international water, in accordance with Cuba law.

Ranking Officer Sees 'Latent' Danger of U.S. Intervention

PA2212034393 Hamburg DPA in Spanish 2026 GMT 21 Dec 93

[Text] Havana, 21 Dec (DPA)—The danger of an armed U.S. intervention in Cuba is latent, according to the concurring opinions of a top ranking officer and a major adviser to the Foreign Ministry.

"The threat of armed U.S. aggression against Cuba is permanent and formidable," Colonel Guillermo Frank Yanes, director of the National Defense School [Colegio de Defensa Nacional], stated in an article published in the latest edition of the CUADERNOS DE NUESTRA AMERICA magazine. He added that the U.S. military apparatus responds to "a policy that makes worldwide operations its objective, and in order to implement it, it has an active service equivalent to five assault divisions (one airborne, one airmobile, and three Marine divisions)." That includes reinforcements of approximately 150,000 soldiers backed up by 13 aircraft carriers (each one with 100 aircraft aboard), hundreds of warships, some 830 military transport planes, 65 amphibious assault vessels, and 280 transport vessels, according to the ranking officer.

The National Defense School director commented that those soldiers would be sufficient for any country regarded as an enemy by Washington to be forced to consider the possibility of military aggression. In the opinion of Col. Yanes this threat is compounded by the considerable part of the gigantic U.S. combat formation that is permanently pointing at Cuba, especially combat aviation. "Over one-fifth of the 2,750 units of the kind that the Pentagon had in 1991 are permanently stationed in areas relatively close to Cuba," the officer insisted. Also, he estimated some 400 tactical fighter airplanes, out of 1,500 deployed in the continental United States, are in Florida.

Compounding those factors, he said, are the naval base in Guantanamo, 1,000 km east of Havana, with military defenses of an extraordinary nature. Cuba, he went on to say, is facing, at least since 1991, a permanent regime of military exploration comparable only to the one NATO maintained against the Eastern European states.

In addition, Carlos Alzugaray, adviser to Foreign Minister Roberto Robaina, said the U.S. military threat today constitutes one of most serious dangers menacing the island. "It would be totally naive to think this risk disappeared with the Cold War, since it is latent under conditions where the concept of sovereignty begins to be questioned, and some people are talking about "humanitarian intervention," the diplomat indicated.

American Studies Center Holds Foreign Policy Discussion

FL2112173993 Havana Radio Rebelde Network in Spanish 1000 GMT 21 Dec 93

[Report by Roberto Canela]

[Text] At the same time that Cuba deepens the legality of its political system and strengthens its democracy, it must continue to reorganize its foreign policy to establish itself, worthily and independently, within the international community. This was the theme of a panel discussion held yesterday at the American Studies Center, CEA, during which the panel members discussed the situation of Cuban foreign relations, especially with regard to the United States and the Caribbean.

CEA Director Luis Suarez said that following the disappearance of the USSR and the Socialist bloc, Cuba has been exposed to the unipolar tendencies of world order.

Suarez also said that Cuba's foreign policy must stress the introduction of our country to the world, to protect it politically. Suarez added that this is an economic necessity.

Cuban, U.S. Educators To Hold Meeting 21-28 Jan

FL2112222293 Havana Radio Reloj Network in Spanish 2033 GMT 21 Dec 93

[Text] The first meeting of Cuban and U.S. educators will be held in this capital on 21-28 January 1994. Its objective is to penetrate deeper into comparative education techniques. This meeting could create a favorable atmosphere for a systematic exchange of information and research results that will have a positive impact on bringing Cubans' pedagogic information up to date.

This bit of news announced in this capital also refers to our educators' obvious limitations as regards to this sphere's scientific information, due to the blockade and the impossibility of paying for subscriptions to specialized magazines.

The precedents for this meeting are the national conference on education in Cuba, held in Boston in 1981, and the 36th annual meeting on comparative and international education, held in Maryland last year.

PRC Specialists Arrive To Help With New Motor Factory

FL2112222193 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Dec 93

[Text] Specialist, engineers, and technicians from the PRC have arrived in Cuba to put into operation the Electric Motor Factory in Cacocum. The technology in the factory proceeds from the two best Chinese electric motor factories, one located in Shanghai and the other in Tianjin. Operations startup is scheduled for the first months of 1994. Chief Engineer (Li Xu-ying) provided additional information:

[Begin [Xu-ying] recording in Chinese with passage-by-passage translation into Spanish] Recently, since our President Jiang Zemin visited Cuba to express friendship between China and Cuba, we want to help Cuba to perfectly operate this electric motor factory. Twenty Chinese specialists have come to Cuba for this. Four are already in Cuba. We have a great wish to help Cuba establish this factory correctly. [end recording]

This factory will produce single and triple phase electric motors to be used in the manufacture of household appliances, among other things.

[Begin [Xu-ying) recording in Chinese with passage-by-passage translation into Spanish] All 24 Chinese specialists seek to work hard with the help of the Cuban specialists to start operations within two or three months. [end recording]

The Cacocum factory will have a production capacity of 30,000 a year and will have 150 workers.

Public Transportation for Holiday Period Limited

FL2212012693 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Dec 93

[Text] NATIONAL NEWS AGENCY report: It will be totally impossible to increase during the end of year period the number of bus and railroad trips between Havana City and the rest of the provinces, and vice versa. This has been announced by the Transportation Ministry.

Due to the shortage Cuba faces in fuel and equipment, transportation enterprises personnel will make their maximum effort to meet departure schedules, but without adding new trips. In order to prevent unnecessary crowds at the terminals, it is requested that the people do not come to them unless they have reservations, since traditionally the demand for transportation increases as a result of the New Year festivities and the anniversary of the triumph of the Revolution.

Hydrotherapy Coordinator Tours, Examines Spa Sites

FL2212005293 Havana Radio Reloj Network in Spanish 2041 GMT 21 Dec 93

[Text] After touring several different provinces, Jesus Montane described the use of waters with curative properties in Holguin, Las Tunas, Camaguey, and Ciego de Avila Provinces as very positive. Montane, who is coordinator for the national hydrotherapy group, said that during his tour he noticed great participation in the groups formed three years ago; and that as regards the level of attention to the institutions selected to be developed, the work is excellent.

Montane, who is also an assistant to the commander in chief, pointed out that hydrotherapy is another way to bring about health, and that initiatives in this regard are very reasonable. Moreover, the support of the health authorities, the government, and the Communist Party of Cuba in the different provinces should be guaranteed, linked with specialists on the subject who will be able to obtain favorable results through the use of hydrotherapeutic treatments and treatments involving mineral and medicinal waters.

UPEC President Interviewed on Congress Issues

FL2212025593 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Dec 93

[Interview with Tubal Paez Hernandez, president of the Union of Cuban Journalists (UPEC), by Felix Fernando Garrido, place not given—live]

[Text] [Garrido] Good evening to all our listeners and welcome to Tubal.

[Paez] Good evening.

[Garrido] Evidently, the subject is clear: The closing session of the [words indistinct]. How is it organized? What is expected to happen? What does the UPEC leadership think [words indistinct]?

[Paez] Well, the last congress session, as you mentioned, summarizes the congresses held in every province and the national bodies. The congress plenum will be held in the Convention Center at 1500 GMT on 23 December. There are only a few hours left. The main issue with which we will open the discussion is how to win the battles of ideas and ethics in the crucial period of the Revolution. It seems to us that this will be the main issue of the debates, the main concerns of the journalists are related to these issues.

[Garrido] How many people will attend to discuss the issues?

[Paez] There are 82 delegates from the entire country and approximately 140 guests, mainly comrades related to journalism.

[Garrido] Does the UPEC think that this congress will be marked by demands, suggestions, ideas, or questions? What will be the prevailing line?

[Paez] The congress is very in tune with the times, with the heartbeat of the country, the situation we are experiencing to find out how journalism can help the people to overcome the present situation. It is a congress where the willingness of every journalist, their interest in participating in the changes that will make it possible to leave this period behind, will be expressed. Of great importance are the issues related to ethics, with the need to preserve the accomplishments in this field that our people have attained over 34 years and which cannot be lost.

[Garrido] Will free debates be held or will everything will be organized in committees under headings already established?

[Paez] The entire thing will be held in the plenaries, with four essential issues. There is the first one I mentioned, also the role of the media and journalists in the sociopolitical changes taking place in Cuba. We also are going to discuss how we project the image of the Revolution abroad and how the image of the world abroad is seen in Cuba. At the end, we will also discuss everything having to do with journalism and journalists' finances.

[Garrido] If we had to summarize what the UPEC leadership expects from this congress— a path to follow systematically as a result of the congress—how would you do this?

[Paez] A very important departure point is to join the efforts of all journalists, their talents, their inspiration, based on the stimulus of the efforts of the country and the people to move ahead.

[Garrido] WE take advantage of this opportunity to congratulate recently elected UPEC President Tubal Paez Hernandez and wish all success to the journalists who will attend the closing session of the UPEC Congress on Thursday, 23 December, at the Convention Center.

Haiti

Malval Letter to Aristide on Resignation

FL2112172793 Port-au-Prince Signal FM Radio In Creole 1900 GMT 20 Dec 93

["Letter" from outgoing Prime Minister Robert Malval to President Jean-Bertrand Aristide, in Port-au-Prince on 14 Dec—read by announcer]

[Text] Excellency, Mr. Jean-Bertrand Aristide

President of the Republic

Washington, D.C.

Mr. President:

For my own records and for history, I have summarized the great ups and downs of our political cohabitation, which has left me with a deep feeling of frustration. I was unable to find the experience positive because of the duality that existed within the [executive] power. We should have been exercising this power jointly, within the framework of Article 159.

I had, on the eve of my resignation, written all the complaints that I had already addressed to you. I am now explaining everything that remained unclear, and which led me to draw my conclusion. They will allow you to try to improve your behavior with the person who replaces me as well as in state matters.

I must tell you right off that you committed the psychological mistake of taking my sense of honor and loyalty for weakness. At all times, I respected the prerogatives incumbent to the president of the Republic, but you never stopped encroaching on my power. To avoid giving the impression that there was a breach in the wall between us, I hid behind that wall, but not to defend myself against those things from the opposite camp that my government always faced, which never occured.

It was usually after much consideration, but also to protect a number of things, that I tried to avoid such low blows as those you regularly delivered to my governmental team. First of all, on the day I was appointed, you were returning from a tour of Europe, accompanied by two ministers. For 15 days, the state machinery remained shut down due to a lack of decrees that only you had the authority to sign. Here I could remind you that I had to function at a crossroads different from the others. During the two months that I had to be in the country to exercise my powers, I did not have that power—not until 30 October. Likewise, during a quarter

of my mandate, I never obtained what was necessary. During that time the government did not function properly. You ordered the decree for the retirement of the president of the Cassation Court, Emile Jonassin. This was clearly provided for by Article 148 of the Constitution. Many others might have taken the opportunity to sign that decree, but I did not want to do it—not only out of loyalty, but also to protect you.

Meanwhile during this period, great violence was spreading through Haiti. My government was deeply concerned about providing an example of respo· sible management. The government wanted to organize the official high school examinations in September to ensure a smooth resumption of classes. To do this, it had to normalize the school system by paying all debts to teachers and renovating some of the school buildings that needed repair. For this work, we asked you to disburse state funds available in Washington. We neither received these funds nor any explanation from you. I am again reminding you that it was out of concern for harmony within the executive that the minister of finance consented to give Ambassador Casimir the right to verify and sign for those resources kept abroad.

In another report regarding political matters, you repeatedly contradicted my statements—under the pretext that the government was not free—to the point that I could have lost all credibility with the people with whom I was dealing. Your ambassadors and counselors, with equal fervor, made statements contradicting each action I took, even while I kept in mind that the mission with which you entrusted me was to aim for appeasement not confrontation. If I had wanted confrontation, I would have had sufficient means for that. But that was not my understanding of your mandate to me. The appeasement, in my opinion, was for me to convince all protagonists in Haiti's crisis, especially opponents, to sit around the negotiation table so that we could find a real natinal reconciliation.

Many foul and heinous crimes were committed in the country. The victims included our friend Guy Malary and many other citizens. We had to either ask the government to stop working, face up to the threats, or give up the mandate.

Meanwhile, we tried to rally all the pieces, to repeat an expression used by you. You opted for a compromise, sending from Washington a minister who had your friendship, but no respect for the government I was leading. You personally encouraged them [not further identified] to install their office, regardless of constitutional rules. It was through employees of the Ministry of Foreign Affairs that I learned that this institution was working abroad under a name no one had heard of, Unity for the Transition of Foreign Affairs. All of this was taking place with the president's consent, but without agreement by the head of government.

You showed the same disrespect for all rules of etiquette appropriate to political cohabitation. Four days before your speech to the UN on 28 October, the head of the government had asked you for a copy of that speech. He never received it until today.

On 17 November, I asked you whether you intended to address the Army on the occasion of 18 November, anniversary of the Battle of Vertieres and the Haitian Army. Your answer was negative. That is, you did not intend to send a message. I then sent you a speech written by General Belliote and addressed to all his brothers in arms, which he had asked me to read. On the following day, without notifying me, you sent your own message to the Army officers, soldiers, and other Army members. The statements contradicted what the defense minister had written, a text I had faxed you the day before.

To all of that, I must add the lack of communication between us. Before you appointed me, I asked you to install a direct telephone line between you and me, thus avoiding going through your secretariat or making a copy of what we exchanged. This was something I wanted so that we could be in close communication. You never responded to my request. Meanwhile, I knew that one of the American lawyers had access to a direct telephone line to you, while my communications with you were slow, as were my letters, a series of caprices that your schedule did not permit you to answer at times.

Another thing that appeared strange was that for the aborted 5 November meeting in the Christopher Hotel, where Dante Caputo intended to relaunch the dynamics of the Governors Island Accord, you ignored my request to be mandated to hold a conference, opting instead, against all objections, to be represented by your foreign legal counselors. Therefore, instead of using the legal system, you were represented by foreign counselors. The explanation you later gave me affronted my own dignity and that of the government. I decided, however, not to speak in a way that could embarrass you, President.

Another serious point for me was the holding of a meeting by your secretariat in Washington. To this meeting you invited some of the ministers, without informing me. Those ministers did not even advise me of the meeting's topic. These acts are contrary to all government ethics.

I was strongly tempted since 19 November to make my resignation, planned for 15 December, official. I had already informed you of the resignation in a letter dated 16 November. I did not do that, however, because I did not wish to embarrass you at a time when the Haitian people were beginning to feel desperate about their future and were expecting you to hold a rally in Washington, sending them a a reassuring message.

Nor did I succumb to the temptation when in my entourage a defamation campaign was organized against me. Your attitude on that occasion was unjustifiable and I cannot forgive you for allowing such conduct against the head of government that yourself you appointed, a cheap campaign and after all, a sterile campaign.

I was very surprised, Mr. President, to find copies of a series of letters, privately addressed to you, in the Haitian Embassy in Rome. These are unacceptable practices.

I will finish by pointing out that I never undertook any diplomatic steps of which you were unaware. I respected everything reserved to diplomacy. All the trips I made to New York and Rome were taken with your approval.

Regarding the meeting in Paris, I participated under the recommendation of the UN secretary general, in the presence of Ambassador Fritz Longchamps, with whom I consulted regarding my participation. He fully agreed and was in fact surprised that the Haitian party was not invited to take part in that summit held by the four countries, Friends to Haiti. You asked me not to publicly reveal that I disagreed with you. I agreed to this, even while my entourage was attacking me for traveling to Europe.

I will not add to this letter other details, which do not seem so important perhaps, unless they are added one to another, forming a long chain of disillusionment. What is most devastating to me is that during those hundred days I spent next to you, despite my loyalty, you never trusted me, nor did you ever trust a prime minister who worked despite your reluctance.

Receive, Mr. President, my regards with much respect. Robert Malval, Prime Minister.

Malval Spokesman Clarifies Statements in NEW YORK TIMES

FL2112202593 Port-au-Prince Radio Metropole in French 1145 GMT 21 Dec 93

[Text] Robert Malval's spokesman has reacted to THE NEW YORK TIMES article. Mr. Emile Jean-Baptiste indicated that the statements attributed to the outgoing prime minister were not used in context. While he avoided denying the statements reported by the NEW YORK TIMES on 20 December, Emile Jean-Baptiste hoped that the real Haitian problem is not lost sight of.

[Begin recording] [Jean-Baptiste] As a matter of fact, I can bring some clarifications and perhaps repeat what I have already said. Some of those statements have already been attributed to the prime minister. Regarding THE NEW YORK TIMES article, however, the prime minister did not grant any interview to the paper. He freely talked with a correspondent of this newspaper. But the statements that are attributed to him are totally out of context.

[Reporter Renois] Those statements reported by THE NEW YORK TIMES, whether true or false—you say they were made in a particular context—do you think that those statements might effect the settlement of the Haitian crisis? [Jean-Baptiste] No, truly no. Because our vision of the current moment and the way the news is treated in the media perhaps incites people to ignore the real current problems that the Haitian nation is facing. We all know what they are, the crisis and the blockade. Thus, all of this noise causes a deviation from the nation's real problems. [end recording].

Sit-ins Planned in Front of 'Four Friends' Embassies

FL2112232693 Port-au-Prince Radio Metropole in French 1700 GMT 21 Dec 93

[Text] Some people's organizations hostile to the return of the president-in-exile are planning to hold some sit-ins in front of the embassies of four countries, the Four Friends of Haiti—France, Venezuela, the United States and Canada. Those organizations intend to demand the lifting of the embargo and the economic sanctions against Haiti.

[Begin recording] [First unidentified speaker in Creole] We have contacted several organizations of different leanings because we think that not just one group of people is concerned about things, rather it is the concern of the whole Haitian population. It is the matter for the whole country that we are dealing with. From the contacts that we have made with several concerned institutions, we wrote the police chief who has not yet given us the authorization to hold the sit-in, several groups of people will gather in front of each of the embassies. That is why we are calling on other people's organizations and people from all social classes to participate with us in order to ask our Four Friends to lift the embargo as a Christmas gift for us.. [Second unidentified speaker] We saw that Prime Minister Robert Malval acted wisely. He made a patriotic move in asking for a national conference which could have led to many positive things, but he [Aristide] said he would boycott the conference. Because he is the president, we accepted it. But, please lift the embargo, president. Give a gift to the people, we beg you. We are asking these four countries, the United States, Canada, France, and Venezuela, we are asking them to lift the embargo because we are suffering. [end recording]

Netherlands Antilles

Curacao Violence Blamed on International Drug Rivalry

FL2112180993 Bridgetown CANA in English 1647 GMT 21 Dec 93

[Text] Philipsburg, St. Maarten, 21 Dec, CANA—Police in neighbouring Curacao are blaming a spate of shootings and other violence on a gangland-style war between rival gangs of international drug traffickers. They say Curacao has become a centre for traffickers from Colombia, Suriname, Holland, and the Antilles, and expressed concern for what appears to be an escalating round of attacks and reprisals between rival gangs.

Three Sundays ago, a car traveling with three women was stopped by another vehicle, and a woman who was reportedly ready to leave for Holland with a load of cocaine was forced into the other car and robbed of the

drugs. Later, two separate shootings which were believed to be drug-related were reported, with one of the victims being an Antillean who lives in Holland and has a police record.

Recently, two men drove into a McDonalds parking lot and shot and killed another man, in what is also being tagged as a drug-related reprisal.

On Monday last week, five separate incidents were reported, involving Dutch and Surinamese nationals who were kidnapped and robbed. That afternoon, a man was killed near the Princess Beach area, in what police say is also a drug-related incident. That same night, a Colombian man had been wounded and sought help from a nearby house. The police reported that another Colombian man sought treatment at the hospital for a broken arm and jaw. Police have attributed the violence to a war of revenge between rival drug gangs.

Dutch Extend 'Higher Supervision' on St Maarten

FL2112210893 Bridgetown CANA in English 1828 GMT 21 Dec 93

[Text] Philipsburg, St. Maarten, 21 Dec, CANA—The Dutch Government has extended a system of "higher supervision" imposed on the Executive Branch of the government in St. Maarten.

A statement from the Council of Ministers of the kingdom of the Netherlands Antilles [as received] said the council accepted the proposal of minister of Antillean and Aruban affairs, E. Hirsch Ballin, "to extend the system of higher supervision in St. Maarten until a final arrangement is in place". The Dutch, who control St. Maarten and the other Antillean islands, placed Philipsburg under closer scrutiny from last 25 February.

The statement noted that the Joubert commission responsible for evaluating the system of higher supervision in St. Maarten, has indicated that a report on its activities is unlikely before the end of January 1994. "In the interests of sound and careful decision-making concerning the administration of St. Maarten, the present decree therefore needs to be extended," said the statement.

"It has, however, been agreed that a decision should be taken within six weeks of the date of publication of the Joubert commission report on any new measure to which the report may give rise, for which reason the current arrangement will provisionally be extended until 1 June 1994 at the latest."

The explanatory notes to the decree stated that the arrangements would need to be evaluated after a year. To this end the Council of Ministers decided last November 19, to appoint a commission of evaluation chaired by Mr. E. Joubert.

The commission's terms of reference are to determine whether the temporary arrangements have meant that the co-ruling St. Maarten Democratic Party/Progressive Democratic Party (DP/PDP) coalition administration of St. Maarten, is able to sustain the process of governmental improvement under its own steam and within the existing regulations. "In the negative event, the commission will advise on the way in which higher supervision should then be exercised," said the statement.

Ω Statistics Reflect Job Creation Problem

94P20142A

[Editorial Report] At a time when the Mexican Government's promotion of foreign investment and globalization's impact on employment is being debated in the press (e.g., EL FINANCIERO, 28 September), a study by the Confederation of Industrial Associations indicates that manufacturing sector investments are not translating into more jobs. According to the 4 November Mexico City EL FINANCIERO, the study, entitled "Factors That Determine Employment," notes that from 1987 until July 1993 there was an increase in the total man-hours of work in the manufacturing sector because of increased capital investments, while at the same time the number of manufacturing jobs declined. Most recently, according to the study and statistics cited by the paper from the Mexican Social Security Institute, in the first half of 1993 a 2.3 percent reduction in the sector's work force over 1992 levels was accompanied by an unspecified smaller drop in man-hours worked. The study observes that the negative effect on jobs stems from more capital-intensive production methods along with more overtime and the reorganization of work routines to yield increased productivity—but not necessarily a demand for more workers. Manufacturing categories found affected by the study include metalworking, machinery, and equipment; foods, beverages, and tobacco; and chemicals, petroleum-based products, rubber, and plastics.

As a way of stimulating the creation of more jobs, the study is said to recommend using what it calls "more modern" technologies that are, at the same time, consistent with larger work forces. EL FINANCIERO cites National College of Economists official Jorge Cabrera's endorsement of these unspecified new technologies, which he describes as "involving production and technology adaptations and investment in human capital" and sees as helping to reverse the trend of workers being displaced by technology.

Drug Gang Dismantled; Over 1 Ton of Pure Coke Seized

PA2212032993 Paris AFP in Spanish 2304 GMT 21 Dec 93

[Text] Mexico City, 21 Dec (AFP)—The Federal Judicial Police (PJF) captured 21 members of a drug trafficking gang, among them three Colombians and one Spanish national, while more than 1 ton of pure cocaine was seized, an Attorney General's Office (PGR) communique reported today.

The communique indicated that the organization operated in several eastern states where it received and distributed the drug, allegedly coming in from Colombia.

The PJF explained that the action commenced last weekend when federal agents intercepted a fuel truck loaded with 711 kg of cocaine. At that time, several gang members were arrested. The authorities followed several leads enabling them to capture Antonio Bermudez, Luis Pinto, and Humberto Segundo, identified as Colombians. The police also arrested Jose Luis Sierra, a Spanish national.

During the operation another 400 kg of pure cocaine were seized by the authorities. The PGR indicated that the rest of the detained persons are Mexican nationals.

PRI Candidate Colosio on Law, Meets Union Leaders

PA2112164893 Mexico City XEW Television Network in Spanish 0430 GMT 18 Dec 93

[From the "24 Hours" newscast]

[Text] PRI [Institutional Revolutionary Party] presidential candidate Luis Donaldo Colosio said the best government is that which bases itself on the prevalence of law. Speaking before the members of the National Association of Juris Doctors, the presidential candidate said there is no justification for violating the legal order. He said laws are the privileged instrument for solving controversies and that there is no democracy outside the state of law.

Candidate Colosio Murrieta met earlier with the leaders of the Mexican Workers Regional Confederation, CROM, and told them that Mexico requires strong unions to face the country's future challenges. He reiterated that one of his most serious commitments is to attain a strong economy. He said Mexico's entry into world-scale market competition is a great challenge that will require all Mexicans to endorse values and adopt attitudes in accordance with modernization and competitiveness. Colosio later received a visit from PRI Assembly members.

Mr. Colosio called on Mexico City residents to participate responsibly in politics. He said public security, efficient services, dignified public transportation, and an effective struggle against pollution are challenges that must be attacked with the citizenry's support and consensus. He said that with a participative society and an orderly government, they will be able to make more progress. Mr. Colosio said he plans to establish regional development with more justice in order to stabilize the growth of Mexico City.

PFCRN Designates Rafael Aguilar Presidential Candidate

PA2112225393 Madrid EFE in Spanish 1813 GMT 19 Dec 93

[Text] Mexico City, 19 Dec (EFE)—The opposition Cardenist Front for National Reconstruction Party (PFCRN) has designated Rafael Aguilar Talamantes as candidate for the Mexican Presidency for the 1994-2000 period.

The PFCRN presidential candidate and leader said his organization hopes to become the largest opposition force in the country, a position currently held by the National Action Party (PAN). To do that, Aguilar Talamantes continued, he will concentrate his campaign on the 40 million Mexicans living in poverty. He stated that should he win the presidential elections to be held in August of 1994, he will propose the "democratic" reconstruction of the national economy.

Including Aguilar Talamantes, now there are seven official candidates who will participate in next August's presidential elections. They are Luis Donaldo Colosio of the progovernment Revolutionary Institutional Party (PRI); Diego Fernandez de Cevallos of the PAN; and Cuahutemoc Cardenas of the Party of the Democratic Revolution. Also running are Pablo Emilio Madero of the Mexican Democratic Party (PDM); Jorge Gonzalez Torres of the Mexican Green Ecologist Party (PVEM); and Cecilia Soto of the Workers Party of Mexico (PT).

In 1988, Cuahutemoc Cardenas participated in the presidential elections on the PFCRN ticket in an electoral process that was described by different opposition members as fraudulent. This process gave the victory by a slight margin to current Mexican President Carlos Salinas de Gortari.

Roundup of Economic Developments 21 Dec

PA2212003193

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 21 December. Source is cited in parentheses following each item.

During the first 10 months of the year, Mexican Petroleum, Pemex, produced 2.66 million barrels of crude oil per day to satisfy local demand and its clients in America, Europe, and the Far East. Pemex noted that oil production in maritime areas contributed with 72.77 percent of the total production, with an average daily production of 1.935 million barrels. (Mexico City NOTIMEX in Spanish 2134 GMT 20 Dec 93)

Belize

Prime Minister Says Country Fears Guatemalan Invasion

PA2112221593 Panama City ACAN in Spanish 0250 GMT 21 Dec 93

[Text] Belmopan, 20 Dec (ACAN-EFE)—Belize, a former English colony in Central America, fears invasion by Guatemala, Belizean Prime Minister Manuel Esquivel told ACAN today.

In addition, the president of this small English-speaking country believes that Guatemalan authorities have little interest in negotiating an end to the dispute between the two neighboring nations. Esquivel, a conservative who assumed power last July after defeating his rival and who defeated Prime Minister George Price several times, stated that despite the change of government he maintains the policy of his predecessor not to yield one inch of territory to Guatemala. He stressed Belize is ready to negotiate so that Guatemala can have access to the Caribbean.

For one and a half centuries Guatemala has claimed the 22,965 square km of Belizean territory and it did not recognize Belizean independence from Great Britain in 1981. Guatemala finally recognized Belizean independence 10 years later.

Costa Rica

Roundup of Economic Developments 21 Dec

PA2212023193

[Editorial Report] The following is a compilation of reports on Costa Rican economic developments monitored through 21 December. Source is cited in parentheses following each item.

President Rafael Calderon said the country's fiscal deficit will only be 1.2 percent of GDP—some 14 billion colons. Calderon added that the percentage lies within guidelines agreed upon with the IMF. In addition, Central Bank President Jorge Corrales said credit for the private sector grew by 1.9 percent in November and for the past 12 months it was 38 percent. (San Jose LA REPUBLICA in Spanish 8 Dec 93 p 14a)

Costa Rican exports increased 16 percent in the first 11 months of the year as compared to the same period last year, according to the Center for the Promotion of Exports and Investments, Cenpro. Total exports between January and November 1993 were $1.94 billion; between January and November 1992 it was $1.68 billion. (San Jose LA NACION in Spanish 8 Dec 93 p 34a)

Of the 71.765 billion colons in taxes it had expected to collect during the first 11 months of the year, the Comptroller General's Office has collected 59.825 billion colons from taxpayers, 83.36 percent of the total, according to Eric Thompson, director of the Comptroller General's Office. (San Jose LA NACION in Spanish 8 Dec 93 p 34a)

El Salvador

Roundup of Economic Developments 21 Dec

PA2112225093

[Editorial Report] The following is a compilation of reports on Salvadoran economic developments monitored through 21 December. Source is cited in parentheses following each item.

El Salvador's cumulative inflation rate was 11 percent as of 30 November 1993, according to the government's Statistics and Census General Directorate. The November inflation rate was 0.21 percent. (Mexico City NOTIMEX in Spanish 1730 GMT 15 Dec 93)

The Salvadoran manufacturing industry grew 32 percent in 1993 as compared to 1992 bringing in foreign exchange revenues of $267 million, according to the Central Reserve Bank. Revenues in 1992 were $182 million, the source said. (Mexico City NOTIMEX in Spanish 1759 GMT 15 Dec 93)

The Salvadoran Government has said that all economic goals for 1993 have been met. The Central Bank president said the economy grew by 5 percent in 1993, the fiscal deficit was reduced by 2 percent, which was the main reason for the 20 percent drop in the inflation rate. The cumulative inflation rate by the end of the year should be 12 percent, he said. (Madrid EFE in Spanish 0827 GMT 20 Dec 93)

Guatemala

De Leon Reports Progress in 180-Day Plan

PA2112180793 Guatemala City Radio and Television Networks in Spanish 0300 GMT 21 Dec 93

[Address to the nation by President Ramiro De Leon Carpio at the Presidential Palace in Guatemala City; date not given—recorded]

[Text] Dear Guatemalans: A few months ago, when on 1 July I presented the 180-day government plan, I was making a great commitment to you. The political and financial situation made it a difficult commitment to fulfill, but I knew it was essential that the necessary efforts be undertaken to carry it out.

For our government, the 180-day plan was the primary guideline establishing basic principles to govern our actions. These principles included frankness, honesty, and austerity. Our work was directed toward support for social investments in remote, neglected areas. In this way, scarce government resources would be decentralized, promoting the process of participation by the

people on the basis of the principle of shared responsibility among the sectors of society and the state.

The conditions under which this administration took office were very special. We did not have a preestablished program, but neither could we just cross our arms and do nothing. We had to begin working under an emerging program that would respond to the new government's policy. That is how the 180-day plan emerged as a bridge to begin more in-depth actions in the next two years of government.

Only 24 days passed between the taking of office, the appointment of the cabinet, the formulation of the 180-day plan, and its presentation to the Guatemala people. Despite the limitations and the pressures of time, the plan established the general framework for economic, social, and political strategies and policies as well as for the actions and projects that our government considered a priority and whose results I want to present to you as a summary of the report on the results of the 180-day government plan, which was released today.

In the political arena, our government's objective is to consolidate the democratic process. Working to achieve this consolidation, actions were undertaken in the following areas:

In the area of human rights, bearing in mind the recommendations that the expert UN adviser had previously made in this field and although the prevailing situation is still difficult, actions have already been undertaken, such as the reorganization of the presidential staff, the elimination of the security department known as the archive [archivo], and the cancellation of the credentials of that department as well as the permits granted to it by the Government Ministry for the bearing and possession of weapons. Orders were also issued for the organization of a specialized unit in the National Police for the investigation of all cases of missing persons, extrajudicial deaths, and other political violations.

Through Government Resolution 682-93 of 11 November 1993, the Preparatory Unit for the National Indian Fund was created. Human rights courses were intensified in the National Police and a new agreement was signed with the UN program for an educational campaign on human rights. A specific office was created in the Government Ministry to handle the problem of street children. A number of actions have been undertaken in terms of security for citizens, but those actions have yet to be perceived by the population because their results do not have an immediate impact. Nevertheless, I would like to emphasize some of the adopted measures: The Civilian Security Council was formed with broad representation from the various sectors of Guatemalan society. The weeding out of the rosters of the security forces, the Treasury Guard General Directorate, the National Police, and the prison system was begun.

The number of personnel performing special services was reduced 70 percent. They were given normal duties at the security forces.

The bill containing the basic laws for the National Police was drafted, and according to agreements signed with the U.S. Government, work was done to merge programs and plans between the National Police and the U.S. Police Academy.

As for decentralization, the urban and rural development councils were reactivated, regional council coordinators were appointed, and the solidarity fund for community development was reinstated. It will allow the councils to manage their resources directly with the communities. We strengthened the National Fund for Peace, which will be effective instruments to decentralize the rendering of basic social services, especially in areas of extreme poverty by promoting the participation of the communities in the identification of their needs as well as in the implementation of their projects.

As for the construction of peace, we appointed the peace commission, we presented the peace plan to the national and international public. In January we are going to hold the first meeting between the government and the Guatemalan National Revolutionary Unity [URNG]. We worked to set the stage for the return of the second group of refugees. A total of 1,490 of them were cared for and will be given support for their reintegration into the country. As for the government's social strategy, the fundamental objective was defined by the effective and permanent struggle against poverty. With a new governing style, we believe local and community participation is necessary to provide services.

That is why we are working on the creation of a stronger social network. Significant progress has been made even though social institutions were seriously weakened when the current government came to power. Here are some examples of our progress: We have strengthened the decentralization of social investment through the allocation of 20 million quetzales [Q] from the solidarity fund for community development, which allowed us to move additional municipality resources worth Q5 million and community contributions worth Q6 million That means we have increased the funds by more than 50 percent, which led us to the completion of 337 projects in rural areas. We delivered Q194 million, which corresponds to the constitutional contribution of 8 percent to the municipalities. A total of Q22 million will be delivered in the first days of January 1994.

A total of 653 projects in rural areas were completed, especially in the areas adversely affected by the armed clashes. The resources allocated in the 180-day plan for the fund amounted to Q22 million. Communities made an additional contribution for Q14 million and municipalities an additional Q3.4 million. A total of Q50 million were allocated for the social investment fund for the start of the operations. During my working tours to the countryside, I distributed Q306 million for the implementation of public projects in rural areas.

In the field of education, we evaluated the application of innovative, participatory, and flexible academic norms

in 170 schools, the results of which will be applied in three regions of the country. Through (Conalfa), a total of 1,518 reading and writing courses were taught benefiting 159,150 Guatemalans. We completed the construction and repair of 45 school buildings. A total of 97 other school buildings are currently under repair. We created the national program for educational development, which includes the rural education program and the solidarity fund for elementary school education.

In the area of health, the preventive health programs were boosted with national campaigns to build latrines, provide water, prevent epidemics, and carry out basic sanitation work. We also trained 1,332 midwives, managed to reduce the maternal mortality rate from 24 to 22 per 10,000 births, and inoculated 1,177,753 children with the basic three shots. We gave 1,197,574 children polio shots and 1,324,180 measles shots. Despite an increase in the number of cholera cases, 15,099 were treated. A total of 20,000 latrines were installed, 81 aqueduct systems were built, and two hospitals were taken over as part of the resource control and improvement measures.

The community home program, carried out by the First Lady's Social Activities Office, provided assistance for 15,957 children and 1,599 mothers in 17 departments. The program also aided 1,912 widows and 3,434 orphans in eight departments nationwide. We founded the national housing commission by way of government accord No. 68-93, which is currently drafting the national housing policy to take care of the neediest sectors of the community.

Regarding economic policy, our government gave priority to maintaining and consolidating stable macroeconomic principles, integrating into the world economy, promoting private investment, and increasing the quality of public spending. The comprehensive measures taken in the areas of monetary exchange, taxes, trade, agriculture, and labor demonstrate the government's actions to this end.

We renegotiated the stabilization program with the IMF and signed a complementary agreement giving us access to financial programs with other international organizations. Several basic agreements were reached under the World Bank's economic modernization program that will allow us to continue receiving disbursements of a previously negotiated loan from that organization. The IDB approved a $130-million loan for the financial sector. The first disbursement will be made in January 1994. The central government kept to its policy of not requesting financial aid from the Bank of Guatemala, thus reaching the negative credit goal despite the government's difficult economic situation. We were able to make payments totalling 81.9 million [currency not specified] to the Bank of Guatemala. The government promoted the transfer of funds totalling Q220.9 million from decentralized entities to the Bank of Guatemala in an effort to absorb excess liquid assets and ensure the clear management of these funds. We reached the 21.5-percent goal for reserve funds and the 15-percent goal for mandatory investment funds. The inflation rate for 1993 was set at 12.5 percent, but we managed to limit it to less than 12 percent, which is lower than last year's figure for this same date. We replenished the central government's deposits, bringing them to Q1.142 billion. The national financial system modernization plan was approved.

In terms of taxes, the government directed its efforts at cleaning up public spending. It decided to discontinue the use of discretionary fund and transfer those funds to the social area. Three secretariats were discontinued. We pushed the tax modernization program forward, and despite a drop in tax collection following the 25 May incidents, revenues exceeded that acquired during last year's collection. We began a study of the customs system, and we are preparing customs administration reforms.

Regarding trade, we promoted traditional and nontraditional export items and signed the Guatamalan Protocol in support of the Central American Integration process, which modifies the Central American general economic integration treaty.

In the agricultural sector, we consulted agriculture groups to define the agenda for the reactivation and modernization of agriculture.

In the labor field, we created tripartite labor commissions with representatives from the labor and productive sectors. We presented evidence on the creation of 25 new unions, reducing from 90 to 20 days the term for registering unions. We expanded the coverage of the General Labor Inspector's Office, creating 37 new offices. We advised 5,000 child laborers and submitted the Minors Code to Congress.

The 180-day plan was received with skepticism by some sectors. Some did not believe it could be effectively accomplished. I understand those fears, but I want to tell you today that we are working. We are doing all we can to fulfill our commitments. The months we Guatemalans have lived through have not been easy. The actions taken by our government have been implemented in the midst of a political crisis, which has not been an ally in our working environment.

However, despite the many legal, administrative, political, and financial obstacles, I am here today to present truthfully and objectively to you the results of these six months of work, many of which have been made possible thanks to the active participation of organized groups that have cooperated in this great effort at the local level.

The 180-day plan allowed us to execute 2,777 actions corresponding to 318 projects, especially in rural areas, as well as to deliver 4,896 land titles equalling investments of Q828 million and representing 74 percent of programmed investments. The achieved goal has a very important significance in the historical behavior of government investment, which for several decades did not

go over 50 percent implementation regarding programmed investments in one year. Now we have consumed 74 percent of the investment budget in only six months.

We are aware that this is just the beginning. We know that a year of sacrifice for all lies ahead, but if we show solidarity, spirit, and a responsible and constructive attitude, we will be able to push the country forward.

I want to take this opportunity to send each and every one of you a fraternal Christmas hug. That means we must work together as brothers. We must end selfish attitudes and begin building—with a positive attitude—the future of our children on the basis of a life in democracy. We must work together to attain full peace for all Guatemalans. We have begun to move. The path is long and difficult to face, but we must continue. Let us walk together; let no one be left behind. Merry Christmas, thank you very much, and good evening.

Army Seizes FMLN Weapons Reportedly Bound for URNG

PA2112211993 Mexico City NOTIMEX in Spanish 1903 GMT 21 Dec 93

[Text] Guatemala City, 21 Dec (NOTIMEX)—The Guatemalan Army seized a shipment of weapons that had come from the former Salvadoran guerrillas. It seems the weapons were destined for the Guatemalan National Revolutionary Unity (URNG) according to a military report.

The source indicated that the weapons—AK-47 rifles, RPG-2's, pistols, and other long range weapons that were not identified—were hidden in two cases on a trailer. The Army said that this seizure confirms gun running by the former Salvadoran guerrillas as local authorities have repeatedly reported.

It was reported in El Salvador this morning that Salvadoran Defense Minister General Humberto Corado will travel to Guatemala to verify the reports of alleged gun running by the Farabundo Marti National Liberation Front (FMLN) to the URNG.

The Guatemalan Army has seized in Guatemalan territory small groups of URNG arms, but the largest cache was seized in Nicaragua on 2 July. Its value has been estimated at more than $2 million.

Further on Army Seizing Weapons

PA2212034593 Guatemala City PRENSA LIBRE in Spanish 21 Dec 93 p 99

[Text] Defense Minister General Mario Enriquez Morales has confirmed uncovering gun running activity. Some of the weapons found belong to the dismantled Farabundo Marti National Liberation Front (FMLN) in El Salvador.

According to the general: "Two cases were seized that contained pistols hidden in trailers loaded with diverse merchandise. FMLN dissidents have attempted to bring in long-range weapons—among them AK-47's and RPG-2's—through Jutiapa and Santa Rosa Departments, Enriquez Morales added. "The Army has evidence of possible gun running on the El Salvador-Honduras borders and more apparent evidence in the border area with Mexico," the defense minister noted.

"We do not know when they [Guatemalan National Revolutionary Unity] will engage in a serious dialogue or with which government. They always put off their meetings; there is no willingness to engage in a serious dialogue," Gen. Enriquez said.

German Deputy Minister Signs Aid Agreement

PA2112231093 Guatemala City PRENSA LIBRE in Spanish 17 Dec 93 p 117

[Text] The Republic of Germany provided 120 million quetzales, equivalent to 37.5 million German marks, to the Guatemalan Government with the signing of a financial and technical agreement by German and Guatemalan officials in Guatemala City yesterday afternoon.

The agreement-signing ceremony was held in the protocol room of the Foreign Ministry. Hans Peter Repnik, the German deputy economy and development minister, said the aid was to support President Ramiro de Leon Carpio in his efforts to consolidate democracy and the state of rights in the country.

According to reports, out of the total amount provided, 114 million quetzales represent past allotments and the rest are new allowances. Repnik noted that three-fourths of the aid has been assigned to basic education development programs, especially in rural areas, with an emphasis on Indian and extremely poor communities. Another segment of the credit will be aimed at solving basic health problems and a third point of interest geared to the promotion of regional development.

Referring to the agreement, Repnik emphasized that the signing of the document is a political event of great importance because it is the first time in three years that inter-government negotiations between Germany and Guatemala are held. "We are willing to accompany you on the road to democracy, social justice, and respect for human rights. Although social benefits have had to be reduced in Germany, cooperation with Guatemala has been maintained," Repnik asserted.

He also reported that since the 1960's his country has cooperated economically with Guatemala with approximately 236 million German marks or 700 million quetzales. Of this amount, 122 million German marks—170 million quetzales—have been invested in technical cooperation. Additionally, through religious organizations and political foundations, Germany has assigned a total of 112 million German marks to the country. This

does not include the 200 million ECU's given by the EC, where 28 percent have been provided by the German Government.

During his stay in the country, the German mission met with the president of the Republic, government ministers, and representatives of the country's productive sectors.

Japan, China, Korea Pledge Economic Aid to Government

PA2112234093 Guatemala City PRENSA LIBRE in Spanish 18 Dec 93 p 102

[Text] Official sources announced yesterday that Japan, China, and Korea have promised to give economic assistance to the Guatemalan Government through loans, donations, and investments.

Deputy Foreign Minister Salomon Cohen revealed to the media the results of his rapprochement visit to Asia during November and December. Among the aid obtained, Cohen emphasized a $50-million donation by China for projects to generate jobs in rural and depressed urban areas. Meanwhile, Japan will support the financial modernization program with a rapid disbursement loan for $100 million, which will help consolidate the economic and social plans of the de Leon administration.

Korea, which has showed the greatest interest among Asian countries to invest in Guatemala, has promised to triple its current investment—some $70 million, which generates some 40,000 jobs—in five years. Cohen said that in addition to assembly plants, the Koreans are interested in the fishing industry—namely the installation of factories to process frozen seafood, the metal, and electronic products industries.

The three countries pledged to support Guatemalan participation in the Economic Association of Asian and Pacific Nations as an observer during its sixth annual meeting to be held in Indonesia in October 1994. The three countries also expressed their interest in the prospect of Central America joining NAFTA, which could boost investment in the area.

Cohen said that the government seeks to promote investment because during the first semester, Guatemala missed an opportunity to host a Hyundai assembly plant. The contractors considered the procedures to establish the company onerous, and Peru offered them better benefits. Currently, Cohen added, the government plans to request permits to establish dye factories, but Guatemalans would have to consider it because this activity harms the ecology unless non-polluting methods are used.

Roundup of Economic Developments 21 Dec

PA2112223793

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 21 December. Source is cited in parentheses following each item.

President Ramiro de Leon Carpio has confirmed that a French Bank is conducting studies to invest in the Guatemalan Telecommunications Enterprise, Guatel. He also mentioned the case of the Guatemalan Railroads Enterprise, Fegua, whose workers received compensation recently as part of the measures that were taken to privatize it. (Guatemala City PRENSA LIBRE in Spanish 18 Dec 93 p 2)

TSE Not To Include Belize Issue in Referendum

PA2112213893 Guatemala City PRENSA LIBRE in Spanish 17 Dec 93 p 2

[Text] Supreme Electoral Tribunal (TSE) Magistrate Mario Roberto Guerra Roldan confirmed yesterday that there is no possibility that a question on the Belizean case will be included in the January 1994 referendum.

The issues are different. They refer to different chapters of the Constitution. The January referendum is an inquiry on the issue of constitutional reforms and, thus, cannot include a different issue, he stated. What should be very clear is that the final agreement on the territorial dispute to be reached between Belize and Guatemala must be ratified or rejected by the Guatemalans in a referendum, Guerra Roldan asserted.

He highlighted that the decision to conduct a referendum on the Belizean case will be made after the negotiations between the Guatemalan foreign minister and British crown or Belizean authorities have taken place. Any agreement reached must be sent to the Guatemalan deputies' consideration in Congress, who will study it based on Articles 19 and 173.

Honduras

Callejas 'Worried' About U.S. Ambassador's Statement

PA2112165993 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 21 Dec 93

[Interview with President Rafael Leonardo Callejas by Cristobal Sauceda; place and date not given; from "The Morning Paper" newscast—recorded]

[Excerpt] [passage omitted] [Sauceda] Do you have any comment on the recent remarks by William Price, U.S. ambassador to Honduras, in the sense that U.S. citizens, particularly those who own land and properties in our country, are not being treated fairly?

[Callejas] Our courts are open to anyone who feels his rights have been violated in terms of civilian or business relations in our country. We expect our laws to be applied fairly to everyone, without discrimination. According to our laws, Honduran citizens have no privileges over citizens of other countries, including U.S. citizens. Should there be any cases of this nature, the Judicial Branch should act accordingly to prevent discrimination.

[Sauceda] Are you worried about the U.S. ambassador's statement?

[Callejas] Of course I am because it could have repercussions on Honduran exports to the U.S. market, which exceed $100 million.

[Sauceda] The problem is that it would be very hard for Honduras to win a trial against the United States as there is too much pressure, and the United States is a very powerful country.

[Callejas] That is one of the points I mentioned during my visit to the United States. Conditions imposed by the United States are very serious for our nations because they are normally one-sided.

Reina Picks Ministers, Reiterates 'Moral Revolution'

PA2112235693 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 21 Dec 93

[Report by Elena Romero; from "This Very Day" newscast]

[Text] Carlos Roberto Reina disclosed today, one month before taking office, the names of two more members of his cabinet. Dr. Enrique Samayoa will be the new health minister and Ernesto Paz Aguilar the new foreign affairs secretary. They, together with already selected Ramon Viera Bermudez, who will be natural resources minister, have won the trust of the elected president.

[Begin Reina recording] Prestige is their merit and I have been very careful. First of all I make consultations, I sound out public opinion, and the people we have chosen up to now have total acceptance. This is what I call a concerted agreement because the Honduran people are watchful. This is how I am shaping the new administration, which I had previously announced and still uphold as a moral revolution. [end recording]

The challenges for the newly appointed ministers are enormous, especially for the public health minister. Among the many inconveniences he will face is the paltry budget that for 1994 amounts to 645 million lempiras. Before taking office, Dr. Samayoa wants this budget increased to 900 million lempiras.

[Begin recording] [Samayoa] That is why I want to reach Congress' conscience, no matter what party they belong to, to restructure the national budget.

[Romero] By how much do you want it raised? Or what percentage do you want to increase it by?

[Samayoa] The ideal amount would be 20 percent. The ideal amount is practically unattainable, but it could not be less than 900 million lempiras. We could then reach that ideal percentage stage by stage in the future. [end recording]

Bit by bit as President-elect Carlos Roberto Reina says, the 13-man cabinet will be made known to the Honduran people before the inauguration takes place. For the time being the names that are being mentioned are Ramiro Zuniga as minister of communications, public works and transportation, SECOM; Hector Bulnes, economy and commerce; and Hugo Noe Pino, planning, coordination, and budget, SEPLAN.

Roundup of Economic Developments 21 Dec

PA2112230693

[Editorial Report] The following is a compilation of reports on Honduran economic developments monitored through 21 December. Source is cited in parentheses following each item.

Honduran Economists Association adviser Otto Martinez stated yesterday the new government will inherit a fiscal deficit of 8.3 percent, equivalent to approximately $1 billion. He added that the deficit includes the central government and all decentralized agencies. He noted the accumulated 13-percent inflation rate had an impact on the deficit. In his opinion, the government will have to issue, in January, $400 million worth of lempiras, which will have a very strong impact on prices and the exchange rate. (San Pedro Sula LA PRENSA in Spanish 21 Dec 93 p 7a)

According to figures from the Honduran Construction Industry Chamber, inflation in the housing sector reached 11.04 percent from January to October 1993 as a result of the constant increases in the costs of products and labor. (San Pedro Sula TIEMPO in Spanish 21 Dec 93 p 21)

Nicaragua

Daily Publishes Details of Approved 1994 Budget

PA2112162293 Managua LA PRENSA in Spanish 17 Dec 93 p 2

[Report by Ariel Montoya; all figures as published]

[Text] The 1994 General Budget of the Republic, the approval of which was described as "irregular" by the National Opposition Union (UNO), established that ordinary revenues would total 2,538,178,000 cordobas [C] and that expenditures would total C2,790,935,000.

Ordinary revenues are divided into current revenues totalling C2,495,826,000 and capital revenues totalling

C42.325 million in accordance with a distribution based on origin of revenues included in the Annual Budget Law.

This budget, which has been criticized by UNO as well as by union groups and the Higher Council of Private Enterprise (COSEP), was approved without any opposition from the government sector that defended state item distributions or from the parties represented in the National Assembly.

The various municipalities were assigned C15,082,098.71, funds which supposedly will be used for projects such as street lights, library refurbishment, repairs to colleges and educational centers, park construction, street paving, housing construction, potable water projects, meat markets, greenhouses, latrine construction, art shops, loading docks, ramps, and church repairs.

The Nicaraguan Natural Resources and Environment Institute will receive C426,000 for capital expenditures to be used in construction, stocking fish ponds, and reforestation projects. The Nicaraguan Sports Institute will receive C2,762,830 to promote and encourage sports.

The National Council of Universities will received C7,525,400 to be used in investment projects supporting the University of Camoapa and setting up the Camoapa Agriculture University. The North Atlantic Autonomous Region was allotted C4.500 million to reactivate the storage of products in Puerto Cabezas, build wells in Sumo Indian communities, and maintain the power system in Siuna and other communities.

The Health Ministry was given C170 million for general expenses. The National Assembly will receive C7 million for general expenses alone. The Nicaraguan Institute of Municipal Development was assigned C1.174 million for municipal development programs and general expenses.

The Comptroller General's Office received C2 million, and the Supreme Court of Justice was given 1 million for juries. The Social Action Ministry was allotted C160,000 for capital and other expenses.

Among the institutions that suffered budget cuts are the Presidency Ministry, whose budget was cut by C4.953 million; the Labor Ministry, by C2.580 million; the Finance Ministry, by C16,386,150.71; the Construction and Transportation Ministry, by C1,944,379; and the Agriculture and Livestock Ministry, by C6,271,200.

Those reductions have reduced the national budget by as much as C50,453,328.71, and the budget deficit to implement the 1994 budget was covered with C252,217,000.

Roundup of Economic Developments Through 21 Dec

PA2212032393

[Editorial Report] The following is a compilation of reports on Nicaraguan economic developments monitored through 21 December. Source is cited in parentheses following each item.

Presidency Minister Antonio Lacayo referred to the Nicaraguan economy today and said: "We are going to close the year practically with zero growth." He mentioned bad crops and low prices in the international market for the country's main export products as the main reasons for not achieving the government's 3-percent growth goal. Lacayo also stated that "the current situation augurs a positive growth in 1994, the first after four years in government." Lacayo's optimism is based on having good coffee and bean crops in 1994. He also mentioned that approximately 70,000 jobs will be created with the increase in production next year. Analysts, however, are of the opinion that the zero economic growth was also a result of the political instability and armed actions in the country, which have scared away foreign and domestic investments. (Mexico City NOTIMEX in Spanish 2018 GMT 15 Dec 93)

A 1,500-word article entitled "What Impact Has Foreign Aid Had?" by Maria A. de Franco and Rolando Sevilla highlights that Nicaragua has received $8.63 billion from 1979 to 1989 and $3.262 billion from 1990 to 1992 in foreign donations and concessionary and nonconcessionary loans. The country's economic results have been truly disastrous, the article notes, and gives as an example of the per capita GNP crisis. "In 1960—measured in constant 1980 dollars—the per capita GNP was $730. In 1970, it increased to $1,283, which means it almost doubled. In 1992, it was $430. This means, the per capita income today is only 59 percent of what it was in 1960 and 33 percent of that in 1974." The article continues by stating that many excuses have been given for such results. The previous government said the results were an outcome of "the Somozist heritage" and later of "the counter revolutionary war." The current government says it is the result of "the Sandinist heritage" and of "the transition from a state economy, coming from a war, to a market economy." The authors establish, however, that "regardless of whether those reasons are true or not" foreign resources can have positive or negative effects depending on the use the governments give to them. "If foreign resources are used to substitute domestic productive efforts, the results will be bad but if they are used to complement such efforts, they will serve as a springboard for development." The article adds that "our investigations show that in Nicaragua's case, the aid has been used—in both periods—to finance the government's general expenses" and to pay for the foreign debt. In macroeconomics terms, the effect is equivalent to an increase of expenses and has not been positive for the country's economy.

The political aspect is another issue that causes concern, the article notes. The most important financial source in Nicaragua is foreign aid and this turns the government into a center of power, which has to be addressed to obtain resources. "The control of the government becomes synonymous to aid control and aid control is then equivalent to political control," the article assesses. If the most significant resources to finance public expenses and credits do not come from taxes or internal financial savings but from foreign aid, the Executive Branch is the one who sets the rules of the game as it does not have to negotiate with industrialists, farmers, merchants, or workers as they are not as important as donor governments and agencies.

The article's authors assert that this does not mean that no more aid should be given to Nicaragua but that the country should change its macroeconomic policy in regard to the use of the aid and find other types of aid. They note: "In the 1980-92 period, only 26 cents of each dollar coming from donations were used to finance investment projects. Even more striking is the fact that during this same period, only 0.005 cents of each dollar coming from the rest of the aid—concessionary and nonconcessionary loans—was used for investments." Public investment alone, however, will not prompt businessmen to invest in Nicaragua and the establishment of very clear and stable rules of the game are also required. In conclusion, the authors state that the results will continue to be disastrous if foreign aid continues to be used as in the past 14 years. They state that foreign investment has to be used in the public investment and productive infrastructure sectors and that foreign aid has to reach the people in a more direct manner. (Managua BARRICADA in Spanish 16 Dec 93 p 13)

A government report issued on Thursday in the framework of the third annual meeting with foreign countries and international donor organizations, indicated that Nicaragua had reduced its trade balance deficit by $122 million over last year, with the decrease of its imports by 11.1 percent and the increase of its exports by 17.3 percent. According to Central Bank figures, Nicaragua exported a sparse $250 million and imported $830 million in 1992. Presidency Minister Antonio Lacayo stated at this meeting that the policy to tax the import of luxury items and incentive promotion resulted in a 10-percent increase in agriculture production. (Paris AFP in Spanish 1312 GMT 17 Dec 93)

According to the Tourism Ministry, the number of foreign tourists increased 19.7 percent in 1993 over the 1992 figures. A preliminary report from the ministry indicates that 199,807 foreigners have visited the country up to now in 1993 and 166,914 visited in 1992. The revenues left by the tourism sector represent 12 percent of the total Nicaraguan exports estimated at $247 million. Although the country does not have a tourism infrastructure, 35,000 U.S. citizens, 39,000 Hondurans, 32,000 Costa Ricans, 24,000 Salvadorans, 17,000 Guatemalans, and more have visited the country this year. (Mexico City NOTIMEX in Spanish 1837 GMT 17 Dec 93)

* Ministry Policies Block Growth in Cattle Industry

94CA0051A Managua LA PRENSA in Spanish 23 Nov 93 p 12

[Commentary by Fernando Sequeira]

[Text] In a recent television interview, the U.S. ambassador said that with corruption there can be no talk of development. So, inspired by Mr. Maisto's words about development....

While in the rest of Central America the introduction of new varieties of grasses promising substantial advances in livestock development is well under way, in Nicaragua this process has been much too slow. The lack of long-term financing, the excessive tax burden, and the inertia of cattlemen have been some of the causes of our lag in this vital area.

But the principal cause has, without any doubt, been the Ministry of Agriculture and Livestock [MAG] itself. Not so much because of its proven incompetence or inefficiency, but rather because of frequent and known conflicts of interest at the highest levels of this ministry.

This time the cause is one of those "brilliant" deals (about $1 million a year) at the expense—of course—of cattle development. With a monopoly on seed imports for the new grasses, the deal will unfortunately mean another three or four years of delay for our cattle industry.

This new case came to light when a group of cattlemen, because of the excessive price at which the seed is being sold in Nicaragua, decided to import their own seed. But the matter grew complicated when they went to the ministry to get permits. There they ran into subtle requirements that threatened to make the import impossible. The strange thing about this case is that people "allied" to the ministry were at the same time importing (for business purposes) the seed without these requirements which they were now trying to impose on the "intruders."

The difficulties did not stop there. When the seed reached the airport, without any prior warning or notification the MAG inspectors tried to demand that it be placed in quarantine (we will note in passing that the seed has a very short germination life), which would have made its planting at the right time impossible. Fortunately, by pure chance, in the same plane a shipment of the "favored" importers also arrived, and without any impediment, as if they owned the place. It went directly from the plane to the truck waiting for it. Given such troubling evidence, the MAG inspectors had no choice but to allow the "intruders'" shipment to pass without further problems.

As was later deduced, the idea may have been to declare the seed unsuitable for introduction in Nicaragua, as on the very day of its arrival a representative of the National Livestock Commission, perhaps through a slip of the tongue or wanting to emulate Garcia Marquez, prematurely announced that the seed would be incinerated.

Later, when attempts were made to clarify all these events, someone from the ministry suggested that to avert problems in the future it would be wise to pay to the enterprise of the "favored" importers an unspecified sum for seed imports.

Nevertheless, not until all the costs of the imports had been counted up was the matter fully clarified: the "favored" partners were selling the seed (among others, to the MAG itself with its famous development ploys) for a profit of up to $10 per kilogram. To give an idea of this business, in the coming year it is estimated that about 100,000 kilos will be imported, although with the livestock financing being arranged with the Central American Bank, this quantity might well triple.

But now a new factor has appeared which, depending on how it is interpreted, threatens to impede or totally prevent at this time with the full weight of law, seed imports by anyone outside the monopoly. With great insistence an announcement by the MAG has appeared that speaks of regulations for seed import and distribution. While we know seed import and distribution regulations are necessary, the question arising in the livestock industry is: Will this be one more ploy of the MAG so that only certain favored people may comply with the specially crafted requirements that are established? Will more incinerations perhaps be announced?

Be that as it may, it is better to prevent than lament. After all, the development and welfare of the Nicaraguan livestock sector cannot continue to depend on opportunities for "good deals" that, with serious conflicts of interest and great frequency, and to the detriment of the livestock industry, take place within the sphere of influence of the Ministry of Agriculture.

Madam President, it is now up to your minister to speak out.

* Commentary Views Failure of Transition Accord

94CA0051B Managua EL NUEVO DIARIO in Spanish 14 Nov 93 p 4

[Commentary by Ernesto Castillo]

[Text] The technocrats of Mrs. Chamorro's government, without a political ideology to define their government strategy, are creating an irresponsible state characterized by disorder and chaos, which will be very difficult to repair if a national accord is not reached on the rules that will allow it to remain at least until 1996.

The Transition Accord, signed by representatives of sectors that could have ensured stability to make peace and introduced economic reforms that would reconcile interests, would have helped all the Nicaraguan people, regardless of their political position. It could have helped to bring together and strengthen the nation. Luis Sanchez, Alfredo Cesar, Antonio Lacayo, Jaime Wheelock, and Humberto Ortega were the visible architects of that document. They represented UNO [National Opposition Union], the government, the FSLN [Sandinist National Liberation Front], and the Army.

It was a grave error to try to conceal the contents of the accord and the related commitments that may have been made. If the contents of this agreement had won the backing of the sectors that the signers were supposed to represent, it could even have served as a basis for revising the Constitution.

This secrecy gives the impression that the agreements reached in the transition document responded more to the personal interests and ambitions of the signers and to a very small group of the leaders of the various sectors than to the objective needs of the majorities whom they formally represented. To those majorities of the people, this document has become a murky pact. That is why Cesar and Sanchez renounced its contents when their interests were neglected, as relations among the FSLN, Army, and Antonio Lacayo grew closer during the first phase of the Chamorro government.

As a consequence of the forced curtailment of the power of Cesar and Sanchez, they promoted inside UNO a clash with the government and a revanchist attitude toward the FSLN. Moreover, within Sandinism, there arose first a concern, and afterward distrust and doubt about the party's true position as an opposition to the government. On one hand, the leadership's relations with the government did ensure the acquisition of privileges and assistance in dealing with UNO's revanchist position. But others see those relations as an opportunity to seek and promote an ideological redefinition of Sandinism.

The Army is rapidly pursuing its professionalization to ensure that the government and the FSLN respect it as an institution. The cost is high for the military who are hurt by the cuts; but it does strengthen the corps and its commanders by establishing a stronger barrier to block the desires of the United States and some local sectors who would like to see the EPS [Sandinist People's Army] replaced by an Army that will support their interests.

Today we find that practically all the sectors that signed the transition accord have serious differences among themselves and within their groups, except for the EPS, where differences are reflected only in the protests of those who have been retired and the existence of irregular armed groups.

The very sectors that created the transition pact are now trying to resolve their differences by using the Constitution as an instrument. It will be difficult to do this if they are unable to resolve their own internal problems. UNO is no longer a single group, but several; the FSLN is

having more and more trouble creating true unity, as shown recently in the disputes between the FNT [National Workers Front] and the Sandinist Bench [in Parliament], or between Daniel Ortega and Sergio Ramirez. Relations between the EPS and the government, though they remain on a professional basis, are being strained by the personal relations between General Ortega and President Chamorro.

The government's response to the impossibility of governing without the necessary backing to continue governing is to convert the state into an "irresponsible state." Ducking the problem by privatizing everything that the government is unable to cope with, making promises that cannot be kept, and settling issues after violent acts or protests will never bring us to the construction of a State of Law. Reaching agreement on the basis for living together and not maneuvering to obtain advantages is what will make it possible for all the sectors which say they are seeking a solution to this country's problems to find that solution.

Panama

'Black March' Marks U.S. Invasion Anniversary

PA2112033693 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Dec 93

[From the "RPC Television News" newscast]

[Text] The so-called Black March to honor those killed on 20 December was held today, National Reflection Day. The march set off from Porras Plaza and passed along the main streets of the capital amid shouts and slogans against President Endara's administration and the U.S. Government. Relatives, friends, and comrades-in-arms of those killed during the 20 December military action told RPC this should be a day to reflect on the country's future.

Politicians and former soldiers of the Panamanian Defense Forces participated in the demonstration that marked the fourth anniversary of the U.S. invasion of Panama. Groups of left-wing university students and labor organizations with ties to the previous government also participated in the march. Many of them believe the next elections are the best way for the people to choose their leaders with a view to the future.

[Begin recording of Daniel Delgado, former lieutenant colonel of the Panamanian Defense Forces; identified by caption] We believe the 1994 elections are only an intermediate objective for attaining the final objective of national liberation by the year 2000. That is what we feel.

We, the Panamanian military, are participating in a positive and productive manner in national life. We are stating our opinions, in the sense that all Panamanians must join forces under a Torrijist electoral project, and we are facing the future in order that the Torrijos-Carter treaties may be fulfilled. [end recording]

The march, after passing along Central Avenue, ended in an improvised rally at the 5 de Mayo Plaza.

PPD Names Munoz Presidential Candidate

PA2212042893 Panama City LA PRENSA in Spanish 19 Dec 93 p 5

[By Manuel Alvarez Cedeno]

[Text] It was reported that Jose Salvador Munoz, a former collaborator of [late President] Arnulfo Arias, was chosen the presidential candidate for his party, the Doctrinaire Panamenist Party (PPD), which will forge no alliances for the upcoming elections because alliances are "schools of discord."

The PPD Panama City Directorate appointed "Pepe" Munoz during a meeting at a hotel yesterday. After the nomination was announced by Salomon Adames, president of the Panama City Directorate, Munoz said that the rest of the presidential slate would be chosen on 30 January 1994. The elections will be held on 8 May 1994. Munoz is the second presidential candidate who announced this week that he will run without the support of an alliance (the first was Papa Egoro's Ruben Blades).

Munoz pointed out that alliances are forged in Panama in a "harmful" manner, but he added that "I am not rejecting the support" of political parties based on government agreements. He added, however, that the distribution of mayors, legislative seats, and the head of the presidential slate is harmful because it involves "the distribution of political posts that translates into privileges and sinecure."

The political leader believes that "we are strong enough" to win the upcoming elections because Panamanian people know that alliances mean the distribution of public property to benefit a few to the detriment of most.

Munoz was the overseer of the Authentic Panamenist Party in 1983. He helped register the party, but later, factions allied with the military seized its name and symbols in complicity with the authorities. The Arnulfist Party, led by the wife of Arias, was founded in 1990. Meanwhile, Munoz and other Arnulfists founded the PPD. He recalled that whenever the Arnulfists have run alone they have won.

PPD Secretary General Julia Suira said that "we are an alternative because we were born for that purpose and this is why we cannot strike an alliance with other parties."

The opposing Democratic Revolutionary Party (PRD) already nominated Ernesto Perez Balladares to head its presidential slate. Meanwhile, the ruling Molirena [Nationalist Liberal Republican Movement] and Arnulfist Parties have yet to reach an agreement.

An official PPD communique indicates that alliances are "schools of discord, misunderstandings, and sterile discussions."

Presidential Hopeful Proposes 'Great Civic Alliance'

PA2112121293 Panama City EL PANAMA AMERICA in Spanish 20 Dec 93, p 1-A

[Report by Juan Pritsiolas]

[Text] Mireya Moscoso de Gruber, presidential precandidate for the Arnulfist Party [PA], proposed the formation of a "great civic [civilista] alliance"—which includes the new parties—to thus keep the representatives of the "military dictatorship" from "ever being able to return [to power]."

Moscoso de Gruber made this proposal on Saturday night during a ceremony in the city of David [Chiriqui Province], during which she warned that the next elections not only demand that "absolute" unity be maintained among Arnulfists, but also require the support of other forces.

The call for the formation of a civic front against the opposition Democratic Revolutionary Party (PRD) and to incorporate the new parties, comes when the forces in government have practically run out of time to form a presidential ballot.

A short time ago, Mireya Moscoso de Gruber said 15 December was the deadline for Molirena [Nationalist Liberal Republican Movement] and the Authentic Liberal Party to agree to agree on a ballot headed by a member of the PA.

On that occasion the PA politician also advised that if there was no agreement with the other allies, her party would proclaim its own nominees or seek an alliance with the new parties. "All of us Panamanians must struggle for the construction of a great civic alliance... and, therefore, I take advantage of this occasion to formally invite all the political forces, especially the new parties, to go to the elections united as a winning force," said Mireya Gruber.

Roundup of Economic Developments 21 Dec

PA2212025693

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 21 December. Source is cited in parentheses following each item.

Statistics from the Comptroller General's Price and Cost of Living Department indicated the consumer price index showed a significant increase in Panama City this year, compared to last year. This was the case particularly in the areas of transportation, communication, and food. Department chief Guadalupe Escala explained that the price indexes of various products, including food, had stabilized at the beginning of the year due to an agreement between the government and private enterprise, but they began to increase by 1.6 percent in October, compared to 1.3 percent in the same period in 1992. (Panama City LA ESTRELLA DE PANAMA in Spanish 14 Dec 93 p 52)

Juan Ramon Vallarino, legal representative of the Motores Internacionales Corporation (Moinsa), told LA PRENSA that the concession granted to Moinsa to build a container port in Coco Solo has its legal base in the National Port Authority, APN, law. The contract signed by the corporation and the APN was approved in the first debate by the Legislative Assembly and will pass to the second and third debate for its approval or rejection. Moinsa spokeswoman Yola de Singh indicated the company has already invested approximately $16 million and by the end of the project will have invested $171 million. Lew Rodin, president of the Moinsa board of directors, said the port will have capacity for up to 200,000 containers. The Interoceanic Region Authority, ARI, has questioned the contract, indicating that the land is within the reverted areas. Stanley Motta, ARI board of directors member, said no one is saying that the Coco Sol project is bad. On the contrary, he said, it is a good project but the contract's wording is vague and has legal vacuums that might lead to confusion. ARI also objects to the fact that the company was granted tax exemptions which might set a precedent for future concessionaires in the canal area. (Panama City LA PRENSA in Spanish 14 Dec 93 p 17A)

The state payroll increased by 1,811 new employees in the third quarter of 1993, even though the government is implementing a voluntary retirement program and has dismissed hundreds of government employees. A Comptroller General report indicated that on 30 September, the state payroll registered 139,618 employees. The monthly government payroll up to 20 December 1989 was $65.5177 million while on 30 September 1993 it had increased to $71.4464 million. The report sent by former Comptroller General Ruben Dario Carles to President Endara indicated that "this represented a 3.9 percent reduction in the number of employees and a 9 percent increase money wise." Carles blamed the increase on new appointments and employees' demands for wage increases based on past laws. (Mexico City NOTIMEX in Spanish 2032 GMT 15 Dec 93)

Panamanian Chamber of Construction Director Eduardo Rodriguez reported the construction industry has shown significant growth this year, with $350 million in investments. Approximately 50,000 direct and indirect workers were employed by the construction industry. (Panama City LA ESTRELLA DE PANAMA in Spanish 15 Dec 93 p 1)

Chamber of Commerce President Ricardo Duran reported that it is estimated the national economy will register a 6.6-percent growth rate in 1993. The construction and banking sectors show the highest growth rates.

He indicated imports showed an increase of 11.7 percent. (Panama City EL PANAMA AMERICA in Spanish 15 Dec 93 p 1)

The Inter-American Development Bank approved an $8.35-million loan to finance a program for studies on the development of ARI. The technical cooperation agreement will be signed in Washington on 20 December. (Panama City LA PRENSA in Spanish 17 Dec 93 p 1)

Alvaro Aleman, revenue director of the Finance and Treasury Ministry, reported that the revenue contributed by state enterprises to the national treasury up to 30 November amounted to 1.1709 billion balboas, compared to 1.1879 billion balboas established in the budget. (Panama City LA ESTRELLA DE PANAMA in Spanish 18 Dec 93 p 1)

The Colon Free Zone closed this year with more than $10 billion in commercial transactions, Abdel Nasser Waked, president of the Association of Colon Free Zone Users, reported. He said the Colon Free Zone provides 15,000 direct and 100,000 indirect jobs, surpassing the benefits provided by the canal. Canal Commission sources indicated that approximately 8,300 permanent and temporary employees work in the canal. (Panama City ACAN in Spanish 1652 GMT 18 Dec 93)

The Labor Ministry reported that unemployment reached 13.6 percent in 1993. It said that out of a population of 920,541 economically active individuals, 125,427 are unemployed. Nevertheless, Aniano Pinzon, leader of the Confederation of Workers of the Republic of Panama, said unemployment amounted to 25 percent because the government did not take into account approximately 20,000 state workers dismissed in the last four years or the underemployed. (Paris AFP in Spanish 1724 GMT 18 Dec 93)

Argentina

Cordoba Province Not To Sign Fiscal Pact

PY2112172993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1131 GMT 21 Dec 93

[Text] Buenos Aires, 21 Dec (NA)—The Cordoba Province Government has discarded the possibility of joining the fiscal pact because it believes several matters mentioned in that agreement "are national interference in provincial institutions, which this government does not accept."

This is how the provincial government denied the reports assuring that Cordoba had accepted the request by Economy Minister Domingo Cavallo to join the 17 provinces that already have signed the pact.

Governor Eduardo Angeloz rejected the Executive Branch's desires to join Tierra del Fuego Governor Jose Estabillo, who on 17 December signed the pact and broke up the rebel bloc in that province.

The meeting scheduled for 20 December between Angeloz and President Carlos Menem was not held; therefore, the immediate possibility of Cordoba joining the pact was again delayed. Although the meeting was on the presidential agenda, Menem and Angeloz talked on the phone on 17 December and decided that a personal meeting was not necessary.

This information was provided by Communications Media Secretary Raul Burzaco, who said Menem and Angeloz talked last week on various issues. Burzaco admitted that the meeting was scheduled for 0900 in Government House despite the fact that Angeloz never thought of coming to Buenos Aires.

The reports about the possibility that Angeloz and Menem would discuss Cordoba joining the pact was firmly discarded by the Cordoba Government.

In a press communique, the provincial government said that "in its first part the pact suggests lowering provincial taxes to increase profits in the productive areas," and that "the recently approved provincial laws include this point." The communique also pointed out that the province will not sign the pact, "first of all, because it is an instrument that does not have a legal structure." The communique also warned that the government is trying to make the pact into law "through the budget bill" and that "this proposal failed in the Chamber of Deputies and efforts are being made to find the procedure to make it into law."

The rumors about Cordoba joining the pact were fed by the successive talks held by Economy Minister Cavallo and Cordoba Finance Minister Jorge Caminotti, who are trying to overcome the differences to try to get Angeloz to join the pact that was signed by the provinces last August.

Sources close to Angeloz expressed their suspicion that the rumors about Angeloz signing the pact were spread in the corridors of the Economy Ministry and reportedly respond to the government's lack of patience because Angeloz is not reversing his negative position. Despite all of these government activities, Rio Negro Governor Horacio Massaccesi also asserted that he will not join the conciliatory position of Governor Estabillo, and asked the national senators from his province to reject Article 33 of the national budget that takes for granted that the provinces will join the pact.

Foreign Minister Begins Official Visit to Bolivia

PY2112175793 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 21 Dec 93

[Text] Foreign Minister Guido Di Tella has begun an official visit to Bolivia. He will sign a cooperation agreement between diplomatic academies and a treaty for the exchange of juridical ratification instruments. The Argentine foreign minister's official agenda began early this morning when he met his Bolivian counterpart, Antonio Aranibar.

Economy Minister Cavallo on Effects of GATT Agreement

PY2212022593 Buenos Aires CLARIN in Spanish 16 Dec 93 pp 32-33

[Text] Economy Minister Domingo Cavallo yesterday evening estimated that the successful conclusion to the Uruguay Round of the GATT trade talks will boost Argentine exports by approximately 10 percent a year as of 1994. He nonetheless conceded that this may be offset by a possible increase in the domestic prices of products that increase their competitiveness abroad.

Cavallo termed the conclusion of the negotiations—which entailed seven years of discussion—"successful." He went on to say that "the threat that the negotiations might be foiled loomed large, but this was dissipated with the signing of the agreement."

"Although negotiators could not achieve the full liberalization of international trade, as Argentina had hoped, the end result showed very important progress, which will have positive effects on our country's economy," Cavallo added.

Among the positive effects Cavallo mentioned:

—Export prices and volumes will increase because Japan, the United States, and the EC accepted reducing their export subsidies.

—The products that will benefit the most, as a consequence, will be wheat, meats, vegetable oils, and forage.

—Local exports of molasses, cheese, leather, apples, orange juice, and peanuts will also benefit, because

quotas fixed internationally for these Argentine products were made more flexible.

—The overall consequence will be that our exports will increase by around 10 percent a year as of 1994. "Approximately 3- to 4-percent more than the annual growth of the gross domestic product," the minister added.

—Argentine exports will also benefit as a result of Brazil's commitment not to purchase subsidized wheat from Canada. "Brazil accepted paying a compensatory tariff to equalize market prices," Cavallo clarified.

—Argentina, in turn, committed itself to liberalizing the commerce of services, and respect the agreements on intellectual property rights. "This implies approving a law on pharmaceutical patents," Cavallo recognized.

At another point during his news conference Cavallo confirmed—just as CLARIN anticipated yesterday—that the Argentine Government had offered a 10 percent reimbursement on the export of capital goods from Brazil to our country. The measure, however, was conditioned to the signing of an overall agreement within the framework of Mercosur [Common Market of the South].

Suddenly the minister turned grim. He did not hide his anger when various journalists dared ask him to provide figures on the agreement with the IMF regarding the 1994 fiscal surplus.

"I am not going to provide figures because it is something very complex and abstract that you will not understand," Cavallo answered. The minister then accused all journalists of "not having a clear idea" of the issue, and unilaterally ended the discussion: "Why don't you ask about foreign trade," Cavallo proposed.

"We want to know about the surplus because, after all, it is taxpayers' money," a journalist retorted.

"I will not give you figures off the top of my head," Cavallo returned. "I can only tell you that it will be somewhat lower than the 1993 surplus. We will know the exact figures only when we close the agreement with the IMF."

Di Tella Terms 1997 'Key Year' for Recovering Falklands

PY2112205093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1508 GMT 21 Dec 93

[Text] Buenos Aires, 21 Dec (NA)—Argentine Foreign Minister Guido Di Tella has remarked that his objective is to recover the Malvinas Islands "this very afternoon if possible." He said, however, that only in 1997 "will there be a major occurrence, as the United Kingdom is then ceding Hong Kong back to the PRC."

Di Tella acknowledged, however, that "even though we are far from attaining our objective," Argentina is on the right path. In illustration, he underscored the fishing agreements recently signed with the British.

Di Tella pointed out that "my objective is to recover the Malvinas Islands this very afternoon, but if this is not possible, we will do it tomorrow, next year, or within the next two years. The important thing is to recover them."

The foreign minister stated that Argentina has been trying to find a solution to this issue for 160 years, but "to no avail. We have even gone noticeably backwards since 1982." He went on to say that "we started to move ahead once again" once diplomatic relations were resumed with Great Britain.

In light of this, Di Tella believes that 1997 "will have tremendous importance," because the United Kingdom will be ceding Hong Kong back to the PRC "as it acknowledged it had been mistaken about its rights."

"Their attitude (that of the British) oscillates between showing little cooperation and trying to work out an agreement; but the long and short of it is that they hinder every possibility of moving ahead," he noted.

Di Tella told EL CRONISTA COMERCIAL that "we are furthering the best possible policy for defending Argentina's interests and recovering our sovereignty over the islands," adding that they are using "a combination of persuasion with the necessary firmness to achieve success."

Commenting on other issue, the foreign minister stated that the project to establish the White Berets [a UN force that President Menem proposed establishing to take care of humanitarian concerns] "is a subject that will get our undivided attention next year, as it will be one of Argentina's top priorities."

Bolivia

Attorney General Tenders 'Irrevocable' Resignation

PY2212024393 La Paz Television Nacional Network in Spanish 0100 GMT 22 Dec 93

[Excerpts] Bolivian Attorney General Dr. Angel Baldivieso resigned his post today. And his resignation is irrevocable. [passage omitted]

In his letter of resignation to the president of the Republic Angel Baldivieso emphasizes that his health is delicate, but adds something that is quite worrisome.

[Begin Minister of the Presidency Carlos Sanchez Berzain recording] My delicate health and the unending journalistic speculation about my resignation from the post I am occupying force me to make the imperative decision of submitting to Your Excellency my irrevocable resignation from the post of Bolivian attorney

general. [video shows the minister of the presidency reading Baldivieso's letter of resignation] [end recording]

This is the worrisome portion of the letter of resignation. Angel Baldivieso's lack of originality, as he, like almost all politicians, holds the press responsible for the situation that prompted him to resign.

For his part, Carlos Sanchez Berzain also rejected the possibility that it was pressure from the Executive Branch that forced Baldivieso to resign.

[Begin recording] No. There was no pressure. This was a surprise for us. And I want to absolutely reject the existence of any pressure. [end recording]

Ω Bolivia: Economic Briefs

94P20153

[Editorial Report] PETROLEUM PRODUCTION FIGURES—The National Petroleum Company (YPFB) reported that production of crude in November reached 28,471 barrels per day surpassing the month's goal of 27,600 barrels and falling just short of the yearend goal of 29,000 barrels per day. [Santa Cruz EL MUNDO 9 Nov]

In Cochabamba, the oilfields of the Chapare, Carrasco, Katari, and Surubi produce an average of 5,500 barrels per day. With exploitation of the recently inaugurated Bulo-Bulo oilfield, this figure may rise to 6,000 barrels per day. If the Irviza well, the next one scheduled for development, is successfully exploited, Cochabamba could become the country's top oil producer with an output approaching 12,000 barrels a day in 1994. Overall, the YPFB has 15 oilfields in Cochabamba in different stages of development, and the company expects to invest a total of $77.3 million in 1994 for exploration and exploitation of petroleum resources. [La Paz PRESENCIA DEL PAIS 10 Nov]

In addition, seismic investigations are being carried out for two new oilfields in Uyuni, located between the departments of Potosi and Oruro. These studies are being financed with $24 million from the IDB (Inter-American Development Bank). If successful, the YPFB could start drilling for wells by the first quarter of 1995. [Cochabamba LOS TIEMPOS 4 Nov; La Paz EL DIARIO 24 Nov; La Paz PRESENCIA 24 Nov]

FOREIGN INVESTMENT IN MINING SECTOR—A total of 18 foreign mining enterprises invest in Bolivia, conducting exploration, development, and exploitation operation in various areas of the country. This activity generates around $25 million each year and includes the U.S. companies MINPROC, ASARCO, ARITMETCO, Battle Mountain, ORVINA, and Hexagon; the British company Rio Tinto; the Canadian companies COMINCO, CAMECO, METAL, JORDEX, Teck Corporation, and Equinox; the Australian companies Central Mining and AUSTPAC; the Brazilian company Paranapanema; the Irish company PAN ANDEAN; and the Dutch company Billiton. [Cochabamba LOS TIEMPOS 31 Oct]

WORLD BANK PROJECTS—The World Bank has allocated 10.4 million for new programs within the framework of the "Tierras Bajas del Este" project. This project is promoted in Santa Cruz through the Regional Development Corporation (CORDECRUZ) and directly benefits the department with credits, road improvement, and the upgrading of agricultural research centers. The new Sustainable Agricultural Methods Program will administer $4 million for activities involving fallow lands, windbreaks, drainage, reforestation, land-leveling projects, and the purchase of light machinery. Another $2 million from the World Bank will be coupled with $32 million from CORDECRUZ to accelerate the rehabilitation of rural roadways in southern San Julian. Preinvestment studies for infrastructure works throughout the department and for promotion of exports will draw from $1 million allocated for this purpose. [La Paz PRESENCIA 10 Nov]

NONTRADITIONAL EXPORTS TO CHILE—The Federation of Private Businessmen of Santa Cruz, reported that their newly concluded agreement with Chile could begin this month to generate over $90 million in trade between the two countries. Several important deals were struck in the recent visit by Bolivian businessmen to Chile. Over a third of these deals concerned exports with a similar number concerning imports; about a fifth of them dealt with joint ventures. It was agreed that $3 million would be invested in joint ventures, initially in plastics manufacturing and construction. Cotton and palmetto were identified as principal exports, followed by soya flour, wood, and polypropylene feather dusters. Goods to be imported under the agreement would include automotive parts and jewelry. A Federation official said that the agreement aims at reducing Bolivia's trade deficit with Chile. [Santa Cruz EL MUNDO 15 Nov]

PDAR PROMOTES BANANA, PINEAPPLE EXPORTS—The Regional Alternative Development Program [PDAR] plans to export in 1994 some 150,000 crates of bananas to Argentina, northern Chile, and other neighboring markets. This would launch the large-scale export of tropical produce, including pineapples, peppers, palmetto, as well as fruit grown in the highlands such as peaches. [Cochabamba LOS TIEMPOS 4 Nov]

DROUGHT IN VARIOUS DEPARTMENTS—For the past eight months the province of Cordillera in Santa Cruz has suffered from a drought which has resulted so far in the death of 180,000 cattle and financial losses estimated at over $3 million. In Cochabamba the drought has extremely affected the provinces of Arque, Bolivar, Ayopaya, and Tapacari, causing severe agricultural shortfalls and forcing farmers into subsistence living. Other provinces affected are Tarata, Cliza, Punata, Arani, Aiquile, Carrasco, and Mizque. High

temperatures combined with absence of irrigation systems and insufficient rainfall have destroyed the newly planted corn and potato crops. The scarcity of potable water in urban areas is endangering public health. At least 10 rural communities have insufficient drinking water and local officials have appealed to national authorities to accelerate the drilling of wells. The Tarija province of Gran Chaco has been declared a disaster area. There, the drought has reached crisis proportions, causing losses totaling $6.190 million principally in the cattle industry and in the corn and soya crops. The 11,700 kg in food aid donated by Civil Defense to be distributed among 400 families is not considered sufficient to meet the needs of all the victims. In addition, the national director of Civil Defense has allocated 1.5 million bolivianos [around $300,000] for aid to drought victims in Chuquisaca and Santa Cruz which have been declared "emergency areas." [Santa Cruz EL MUNDO 9 Nov; Cochabamba LOS TIEMPOS 31 Oct, 25 Nov; Santa Cruz EL MUNDO 10 NOV; La Paz EL DIARIO 10,11,15 Nov]

Brazil

PSDB Supports PT's Motion To Postpone Constitutional Reform

PY2112132593 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 21 Dec 93

[Text] In a meeting with party leaders in Brasilia today, Tasso Jereissati—president of the Brazilian Social Democracy Party—will defend the proposal by the Workers Party, PT, calling for suspension of the constitutional reform until the Congressional Investigating Committee, CPI, looking into the budget scandal finishes its work.

After the CPI concludes its activities, the congressmen will concentrate their efforts on approving the fiscal reform and then work on the constitutional reform. In exchange for that, PT President Luis Inacio Lula da Silva will negotiate with his bloc in Congress for approval of the finance minister's economic plan.

Jereissati reported on his decision after receiving, together with Lula, a manifesto signed by nearly 500 businessmen, intellectuals, and labor union leaders. The document urges the progressive parties to unite for the 1994 presidential elections.

Congress Views Budget Cuts, Rejects Taxes

PY2112161293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Dec 93 p B4

[Article by Ribamar Oliveira]

[Text] Brasilia—Nearly all of the political parties endorse Finance Minister Fernando Henrique Cardoso's thesis that the 1994 federal budget must be balanced. Nevertheless, with the exception of the PSDB [Brazilian Social Democracy Party], the minister's party, the parties disagree with Cardoso's method for the adjustment. They still are largely opposed to a constitutional amendment involving the Federal Government's 15-percent retention of the transfers of funds to states and municipalities. Marco Maciel (PE [Pernambuco State]), the PFL [Liberal Front Party] leader in the Senate, notes: "This is not viable."

And negotiations in Congress have not even started. Deputy Germano Righotto (PMDB-RS [Brazilian Democratic Movement Party-Rio Grande do Sul State]), who was included on a list of candidates for government leader in the Chamber of Deputies, notes: "A budget proposal, which is the main part, is missing." The PMDB made an attempt to advance the discussions. The PMDB bloc met for the first time on 16 December to discuss alternatives to the minister's proposals. Nevertheless, the meeting had to be halted because there was nothing to discuss. Righotto said: "Without the budget, which the government still has not sent, it is difficult to discuss any proposal."

Deputy Luiz Roberto Ponte (PMDB-RS) guarantees that the party accepts eliminating the public deficit. Nevertheless, he distrusts the numbers presented by the government. Ponte notes: "There is widespread sentiment that the formulas for the provisional tax on financial operations [IPMF] and the Contribution for the Financing of Social Security have been underestimated."

Ponte ponders: "If the government says that federal collection grew 20 percent this year and will grow 15 percent in 1994, we believe it is possible to balance the budget by just cutting back expenditures. The government is saying that revenues grew 38 percent in two years and it is not possible for expenditures to increase by the same proportion." The PMDB rejects the amendment that blocks 15 percent of the transfers and proposes that the government transfer all health and education obligations to the states and municipalities.

Mario Covas, the PSDB leader in the Senate, agrees that tax increases are unpopular, but estimates that the measure will be bad in the beginning because if the program is approved, inflation will decline, thus increasing workers' purchasing power.

The PPR [Progressive Renewal Party] began to attack. Deputy Delfim Netto (SP [Sao Paulo State]) believes the government has just made illusionary cutbacks because a good portion of the adjustments made in the budget was prompted by reassessments of the inflation rate. The initial proposal estimated declining inflation for 1994. The new proposal estimates a constant inflation rate. The change of criterion reduced expenditures by billions of dollars.

Senator Espiridiao Amin (SC [Santa Catarina State]), the PPR president, stressed: "It is necessary to increase the cutbacks." He does not accept a 5- percent increase in federal taxes. Amin said: "It would be increasing the unfairness of the Brazilian tax system." The PFL rejects

blocking transfers and is willing to negotiate the tax increase. PFL leaders will discuss alternatives to the minister's proposal tomorrow.

The strongest opposition to the fiscal adjustment proposed by Finance Minister Fernando Henrique Cardoso comes from the PDT [Democratic Labor Party]. Deputy Vivaldo Barbosa (RJ [Rio de Janeiro State]) notes: "The program is petty with regard to the crisis that our country is experiencing." Luiz Salomao (RJ), the PDT leader in the Chamber of Deputies, adds: "The program lost credibility."

Rio de Janeiro Governor Leonel Brizola's party does not accept a 5-percent across-the-board increase in federal taxes. The party believes taxes should be borne by wealthy people. The party also disagrees with blocking funds to states and municipalities. The PDT believes it is not the right time to change the federal pact, and opposes cutbacks on spending that "would just increase our country's recession."

Deputy Aloizio Mercadante (PT [Workers Party]-SP) believes Cardoso's political management of the fiscal adjustment was disastrous. Mercadante recommends: "It is necessary for him to open an adjustment negotiations agenda." The PT wants the government to disclose the budget data and clearly define where it intends to spend the money raised with the additional collection that it wants to secure in 1994 through the adjustment.

Senator Eduardo Suplicy (SP) notes: "We accept the cutbacks provided that the finance minister reformulates public spending based on the results of the Budget CPI [Congressional Investigating Committee]. He was also the only one who asked the government to clearly define how the Real Value Unit (URV) will be estimated.

This is how the political parties view the main measures of the fiscal adjustment:

Five percent increase in the federal tax rate:

PMDB—It may accept it, but it wants to be convinced of the need for the measure to balance accounts. The party believes an income tax increase through a provisional measure may be rejected in Congress. An additional tax should not fall on those who already are paying taxes.

PFL—It may accept it, but it wants to study other alternatives.

PPR—It is against it on the basis that more taxes will increase the inequities of the Brazilian tax system.

PSDB—It is in favor because it believes the measure is a sacrifice that society must make for a balanced budget.

PDT—It is against it. It believes the measure was included in the adjustment for negotiations.

PT—It is against it. The party believes it is not possible to increase taxes before the distortions pointed out by the Budget CPI are corrected.

Fifteen percent retention of the transfer of funds to states and municipalities and the remaining budget allocations:

PMDB—It is against it. It proposes that instead of blocking the revenues, the federal government transfer funds for health and education to the state governments and prefectures right away.

PFL—It is against it. It considers the constitutional amendment a step back in terms of the federation pact.

PPR—It is against it. It accepts debating a draft law forcing the states and municipalities to use 15 percent of their revenues on matters the federal government considers priorities.

PSDB—It is in favor. But it feels that the federal government investments resulting from the new revenues should be made together with the municipalities.

PDT—It is against it. It believes it is not possible now to change the federation pact.

PT—It is against it. If the federal union does not explain where the retained resources will be spent, it believes it will not be possible to even debate the proposal.

Cuts in the federal union's 1994 budget:

PMDB—It is in favor but first it wants to see the figures. It believes the figures given so far cannot be relied upon very much. It believes the government underestimated revenue collections from the IPMF and Cofins [Social Security contributions].

PFL—It is in favor.

PPR—It is in favor, but believes the government has not cut anything so far.

PSDB—It is in favor.

PDT—It is against it. It believes the cuts will worsen the recession.

PT—It defends the restructuring of public spending in the face of the investigation carried out by the Budget CPI. It accepts cuts as part of the restructuring.

Chile

Spanish Ambassador Says Relations Back to 'Normal'

PY2212113993 Santiago Radio Cooperativa Network in Spanish 2200 GMT 21 Dec 93

[Excerpts] Spanish Ambassador to Chile Pedro Bermejo today voiced his confidence in the Chilean court's participation in the investigations into the [murdered Spanish diplomat Carmelo] Soria case.

The diplomat asserted that the relationship between the two countries has returned to normal following the appointment of a special trial judge for this case. [passage omitted]

Ambassador Bermejo went to Hindenburg Street to express his government's congratulations to President-elect Eduardo Frei on his victory. Bermejo said the visit and talk with Frei was of a strictly protocol nature. [passage omitted]

[Begin recording] [passage omitted] [Unidentified reporter] Ambassador, after this and your return from Spain, how would you say our relationship stands? You said it had been affected.

[Bermejo] Yes. The situation has been rectified in the way the Spanish, as well as the Chilean Government wanted. I believe the level of our relationship is good again.

[Reporter] Ambassador, do you trust in Chilean justice?

[Bermejo] Certainly. Certainly.

[Reporter] Does your government believe the appointment of a trial judge is enough, taking into account that in the Letelier case it took the Chilean court more than 12 years to hand down a ruling?

[Bermejo] Twelve years? But not while Justice Banados was conducting the investigations; that did not take 12 years, it took two or probably less time. But I must tell you that my government believes that the Supreme Court and one of its members offers the best guarantees that things will be done properly and abiding by the law. [end recording] [passage omitted]

Colombia

Cartels Send Letters to Congress Offering Surrender

PA2112155093 Santa Fe de Bogota EL TIEMPO in Spanish 17 Dec 93 p 17a

[Text] The official announcement of a possible surrender of drug traffickers was made on 21 October, when lawyers claiming to represent drug traffickers from the coast and from Valle, Antioquia, and Santander Departments conveyed the traffickers' offer to dismantle completely their businesses and surrender to justice.

The offer involved the surrender of almost 300 persons who say they control 70 percent of the cocaine exports to the United States and Europe. The following are highlights of messages sent by the groups to Congress:

Valle Cartel: "We do not believe that the surrender to justice—that is, not to choose the road of rebellion—must be linked to a confession, sentence, or charge. If the government has promoted systems to punish those found guilty of crimes by offering them compensation, pardons, and anonymity—even for those who have been sentenced— those of us who have not been dragged down by violence, who are or have been accused and faced the charges in a civilized manner, or those who have never been charged have the fundamental right to a just trial and due process."

Antioquia Cartel: "We do not seek the benefits of agreements unfair to society represented by the state, not even for ourselves. Instead, we propose strict respect for the law without seeking advantages other than those derived from due process and from the efficient cooperation with justice that we are willing to offer."

The Coast Cartel: They claim to represent 50 individuals linked to drug trafficking and offer to surrender to justice under terms similar to those expressed by the mentioned organizations. A similar proposal was made by a cartel that calls itself the Santanderes.

Roundup of Economic Developments 21 Dec

PA2212031493

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 21 December. Source is cited in parentheses following each item.

Tourism revenues this year will reportedly exceed $700 million. However, some analysts believe that a large part of such income comes from drug-related activities. According to some congressmen, the tourism industry has been used in the past to camouflage and launder drug-trafficking money. According to Tourism Institute President Ismael Arciniegas, 1.3 million people have visited the country this year, of which 60 percent are businessmen and the rest tourists. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 11 Dec 93 pp 1A, 1B)

Colombian Petroleum Enterprise, Ecopetrol, will issue $500-million-worth of bonds to finance oil development projects in Cusiana and Cupiagua. This represents 44 percent of some $1.125 billion required to develop the aforementioned oil facilities in Casanare between 1994 and 1996. Authorities have estimated that next year oil production will not exceed 35,000 barrels per day (bpd) but in 1997 it will be of 600,000 bpd representing annual revenues of $1.296 billion. (Santa Fe de Bogota EL TIEMPO in Spanish 13 Dec 93 pp 1A, 6A)

The National Administrative Department of Statistics, DANE, has reported that in the first eight months of the year the real growth registered by industry totalled 4.09 percent with respect to 1992. This growth was fueled by the sector of transportation equipment and material which registered a 60-percent increase between January and August, while the tobacco industry decreased by 23 percent. Meanwhile, DANE reported employment grew by 1.84 percent between January and August. (Santa Fe de Bogota EL TIEMPO in Spanish 15 Dec 93 p 3B)

The country's banks have lost approximately $48 million as a result of the devaluation of the dollar with regard to

the peso in the last few days. Banking Association spokesmen stated these losses will be recouped as interest market rates reactivate. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 15 Dec 93)

Latin American banana-producing countries have won the banana war over the EC. Colombia will be able to sell all its production in the old continent and prices could increase by up to 400 percent. An EC ruling guaranteed Colombia will be able to sell all its banana production totalling 480 tons to Europe. This decision will improve the economies of over 40,000 families in Uraba and Magdalena region. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Dec 93)

The government on 15 December issued five decrees regulating tax payments. The decrees establish that in 1994 employees earning over 480,000 pesos will be forced to pay tax withholding at the source, while those with annual wages of less than 6.1 million pesos will be exempt from paying income tax. The taxable base for the income tax increased by 22 percent, resulting in tax relief for individuals and corporations earning between 13 and 20 million pesos. In addition, the government increased the tax to leave the country to 15,000 pesos. (Santa Fe de Bogota EL TIEMPO in Spanish 16 Dec 93 p 6A)

DANE has reported Colombians have reduced purchase of imported luxury items, while increasing consumption of foreign-made machinery and raw materials. In general, imports grew by 55 percent until August, according to DANE. Between January and August, Colombia imported $6.435-billion-worth of goods, while it exported 4.662 billion. This resulted in a deficit in the commercial balance of $1.773 billion. The largest suppliers of imported merchandise to Colombia are, in order, the United States, Japan, Venezuela, and Germany, the report concluded. (Santa Fe de Bogota EL TIEMPO in Spanish 16 Dec p 1B, 3B)

* Police Reforms To Be Tested in Cundinamarca

94SM0120A Santa Fe de Bogota EL ESPECTADOR in Spanish 22 Nov 93 p 14A

[Article by Julian Rios Rojas]

[Text] Cundinamarca—The national government has reiterated that in carrying out the restructuring of the National Police, the career positions of agent and noncommissioned officer must be eliminated so that the institution will more closely resemble its European and American counterparts. In those countries, the policemen who patrol the streets are officers.

The nearly 40,000 police agents who are now serving in the streets of Colombia will have to go through a special upgrading process that will involve several courses and exams so that they can be promoted.

The purpose is to bring the community closer to the police and to provide incentives for members of the institution through new ranks. At the same time, a plan will be carried out to raise moral standards and purge the ranks of corrupt individuals in order to restore the credibility of the police.

The administration believes that young men with a *bachiller* degree who are doing their military service in the National Police have become an important factor in restoring the institution's image.

Defense Minister Rafael Pardo Rueda told this newspaper that the announced increase in the number of men in the Armed Forces will effectively guarantee the country's security.

Pilot Department

Last week the government chose the department of Cundinamarca to be the first area in the country where the National Police reforms will be implemented.

As a result of that decision, over the weekend the defense minister visited some municipal jurisdictions in Cundinamarca for the first time. He got a firsthand look at the work the Army and police are doing in the fight against common crime and organized crime.

The minister visited Tocaima, La Mesa, La Palma, Ubala, and El Guavio, as well as La Macarena and Villavicencio.

He was accompanied by the commander of the XIII Brigade of the Army, General Norberto Adrada Cordoba; the commander of the Cundinamarca Police Department, Colonel Roberto Fajardo Rozo; and the commanders of the Rincon Quinones Group and the Cavalry School.

The commission first went to the town of Tocaima, where the defense minister toured the facilities of the police station and spoke with the district commander, who briefed him on the public order situation in that area.

Since Cundinamarca was chosen as a "pilot" department in the restructuring of the National Police, the defense minister indicated that the objective is to look at the number of troops and agents available to the various municipalities to begin the task of modernization there.

In the municipal jurisdiction of Tocaima, there are 17 policemen, including officers, noncommissioned officers, and agents. That number will increase by 25 next year. In La Mesa, Cundinamarca, the number of men will be doubled, according to the defense minister, and these forces will also be supported by 25 *bachiller* policemen.

A guerrilla group belonging to the XXII Front of the Revolutionary Armed Forces of Colombia (FARC) has been operating in the municipal jurisdictions of La Mesa, Jerusalen, and La Vega.

In La Mesa, the departmental government has built a police station that is about to open, which will make it possible to expand the police force, said the minister. He stated that often the force cannot be expanded because there are not enough facilities to accommodate the personnel.

Indispensable Increase

"Obviously, the reform must be across the board in the long run. An effort is being made, however, to increase the number of policemen by the end of the year," said Minister Pardo Rueda.

According to the minister, Colombian towns such as Tocaima and La Mesa, which are tourist areas with a large transient population, will have a greater military presence to guarantee security and recreational activities.

Tourist areas or places that are frequented most often will be controlled by law enforcement agencies using mobile units to patrol the highways.

After studying the reports submitted by military officials regarding the situation in La Palma, Pardo Rueda declared that there is a greater guerrilla presence in this area, but continued civilian-military projects are under way there, and a highway is being built.

"There will be a rather significant increase in police forces in the municipalities, which will effectively take care of security problems," stated the minister.

With regard to the municipal jurisdiction of Viota, the defense minister said that there is a major military presence in that area, which is used by the guerrillas as a place to obtain supplies and to rest.

Several months ago, the Attorney General's Office carried out a major operation in that town, with the support of the Army, the police, and the Administrative Department of Security (DAS). Just last Saturday, the Cundinamarca Police arrested Jose Ramiro Vargas Pena on charges of rebellion.

In La Palma and Yacopi, according to the minister, "There are vestiges of paramilitary groups," but intelligence work is also being conducted in that area to determine who is leading these organizations.

The officials visited Ubala and El Guavio to review the new Army Engineers Battalion that was deployed there to provide security around the dam and control access to the energy complex.

One of the last places inspected by the defense minister was La Macarena Hill, strategically located on the border between the departments of Cundinamarca and Meta. A unit of the Cavalry School is there.

Finally, Pardo Rueda went to the facilities of the VII Brigade, headquartered in the capital of Meta, where he reviewed troops and received reports on the public order situation in that part of the country, which is notorious for seditious activities.

Ecuador

President Denies Intention To Resign, Dissolve Congress

PA2112205393 Paris AFP in Spanish 1823 GMT 21 Dec 93

[Text] Quito, 21 Dec (AFP)—Ecuadoran President Sixto Duran-Ballen said today that he "is not going to resign" and added that I "was elected to govern for four years and I will do so."

In an interview granted to Quito's Radio Vision, the president denied that his administration maintains a "dispute" with Congress, indicating that "if there is a dispute, it has not been provoked by my government."

Duran-Ballen's statements came after Congress did not meet in the special sessions for which it had been convened by the president to study a package of economic measures.

After the legislators did not attend the sessions on Monday evening, Congress President Samuel Belletini closed the sessions and opened plenary sessions [un plenario] to discuss issues different from those requested by the government.

"If Congress does not meet, I will resort to the Court of Constitutional Guarantees," President Duran-Ballen warned. He added: "Belletini is wrong." He rejected charges by Belletini, who had publicly stated that the government planned to close Congress. "We are not interested in dissolving that body," the president said.

The president also expressed support for the establishment in Ecuador of a two-chamber legislature as exists in other countries rather than the current system, which obstruct the work of the executive branch.

During the radio interview, the president said he has no intention of resigning, adding that he was elected by the majority of Ecuadoreans for a four-year term.

Paraguay

Presidential Social Communications Secretary Replaced

PY2112132993 Asuncion ABC COLOR in Spanish 21 Dec 93 p 11

[Text] President Juan Carlos Wasmosy and a few members of his team met with journalists from various news organizations on the evening of 20 December. On the occasion he evaluated this year's activities. During the

informal dinner at the presidential residence, the administration reported that presidential Social Communications Secretary Eduardo Venialgo has resigned and Guillermo Yaluff has been appointed to replace him.

It also was reported that the presidential communications secretary will no longer hold the rank of minister and will focus on liaisons between the president and journalists. Journalists have been criticizing Venialgo for his ineffectiveness and for making their job more difficult.

During the dinner Wasmosy discussed various issues that have to do with his presidential activities, and his relations with the military, politicians, businessmen, and union leaders.

The president acknowledged that there are many problems but emphasized that he has the courage it takes to overcome obstacles. He stated, however, that he needs the help of the community as a whole to resolve conflicts.

Wasmosy explained that there are people who resist change. "There are some people who want to do things, others who do not want anything done, and others still who do not care one way or another, but would rather criticize than support."

Armed Forces Law Abrogated, President To Appeal

PY2112135993 Asuncion NOTICIAS in Spanish 21 Dec 93 p 6

[Excerpts] Paraguayan President Juan Carlos Wasmosy on 20 December signed the decree abrogating the Armed Forces Organizational Law after Congress rejected the presidential veto opposing this abrogation. The Executive Branch, however, will continue to oppose the law's abrogation and will appeal to the Supreme Court on the grounds that the abrogation is unconstitutional.

Law No. 216 was finally pronounced dead on 20 December when the Executive Branch signed the decree promulgating Law No. 244, which abrogates the Armed Forces Organizational Law. It was confirmed, however, that President Juan Carlos Wasmosy will file a lawsuit claiming that Law No. 244 is unconstitutional.

The deadline for the promulgation of Law No. 244 that abolished the Armed Forces' previous organizational charter would have expired on 21 December, which means Law No. 244 would have gone into effect even if the Executive Branch failed to promulgate it. [passage omitted]

The Executive Branch also confirmed its decision to file a lawsuit against Law No. 244 on the grounds that it violates the Constitution.

This lawsuit will allow Vice Admiral Eduardo Gonzalez Petit to retain his position as commander of military forces until the Supreme Court issues its ruling. [passage omitted]

Senate Not To Promote Policemen Who Violated Human Rights

PY2112140193 Asuncion ABC COLOR in Spanish 21 Dec 93 p 3

[Excerpt] The Senate plenary meeting refused to approve the promotion of four high-ranking police officers: Principal Superintendents Pedro Ignacio Sosa, Avelino Pino, and Manuel Sanabria of the Investigative Department; and Major Superintendent Julio Cesar Guillen of the Identification Department. The promotions of these officers were objected to on the grounds that they were seriously involved in human rights violations during the dictatorship that plagued Paraguay for more than three decades. At the same time, the Senate approved the promotions of 104 high-ranking National Police officers. [passage omitted]

Union Leader Says Remarks Warning, Not Threat

PY2112144293 Asuncion ABC COLOR in Spanish 21 D 93 p 65

[Text] The remarks that Eduardo Ojeda, secretary general of the National Workers Federation [CNT], made on 17 December during a workers demonstration for a salary increase have unleashed several reactions. Asked about it, Ojeda explained that his intention was to warn the government and business people about the seriousness of the economic crisis plaguing workers.

On that occasion Ojeda said: "We have warned the government that if it continues to implement this policy, which is bringing hunger to the people, we will summon the workers to civil disobedience because we have no other alternative left. If we do not have anything to eat, we will loot the supermarkets. Argentine workers are beginning to struggle, and very soon the struggle will arrive in this country because we will not allow injustice."

Asked to explain himself, Ojeda said: "What I wanted to say was that if this policy that is bringing hunger to the people is maintained, the consequences will be very serious. The administration must bear this situation in mind. I would never summon the workers to loot supermarkets or to civil disobedience. All I said was that if there is no bread, the have-nots will take desperate steps on their own."

He added: "As a labor leader and as CNT secretary-general I have always believed in peace. I have been the victim of many acts of violence, but I have never reacted violently, so I am not likely to change course at this point."

Ojeda confirmed that the worsening of the economic crisis poses risks. "I stand by what I said. If the crisis gets any worse it will be impossible to prevent social outbursts because misery compels people to seek means of survival. I wanted to make the government aware of this risk so it can take precautions."

Paraguayan President Juan Carlos Wasmosy said on 20 December that he does not share the opinion of union leader Eduardo Ojeda, who criticized the administration's economic policy and threatened to summon workers to civil disobedience and to loot supermarkets. The president commented on the issue in Tebicuary-mi (Paraguari Department)

Wasmosy said: "I respect his opinion, but obviously, I do not share it. I do not believe that it's the best path toward dialogue and agreement. The economic measures being implemented will obviously not have immediate effects but you will see the results in time."

Peru

Opposition Legislator on Need To Remove Fujimori

PY2112143693 Lima EXPRESO in Spanish 28 Nov 93 p A3

[Interview with Lourdes Flores Nano, Popular Christian Party, PPC, representative in the Democratic Constituent Congress, CCD by unidentified reporter; place and date not given]

[Text] [EXPRESO] Ms. Flores, what is your party's opinion on the constitutional referendum now that it has ended?

[Flores] In the first place, I think we must await the final results that will be disclosed by the National Election Board. My party, as we have maintained throughout the campaign, will respect the citizenry's decision, but I think the justified null votes must be revised and taken into account.

[EXPRESO] But it seems quite obvious that the final result will be a tight victory for the "yes" vote. Nevertheless, it will be a victory...

[Flores] If this is the final result, in which case—I reiterate—it deserves a pronouncement, we will respect the citizenry's will. What is quite obvious though, is that this arithmetic victory of the "yes" vote would not, however, represent a true political victory for President Fujimori. One cannot forget that the main purpose of this constitutional reform has been to allow him to run for reelection. In my opinion, the 31 October referendum result questions this plan and that is very positive for the country.

[EXPRESO] Don't you think, however, that this result is a huge factor of uncertainty for Peru?

[Flores] When the PPC decided to participate in the CCD, it did so because it believed primarily that—despite the risk of sticking its neck out—Peru needed to be given a chance. We are certain, however, that this process started with this referendum but it will only end with the 1995 general elections. It is true, as was predictable, an attempt has been made to modify the Constitution as a means to materialize Fujimori's authoritarian plan, which was not confirmed, as he had originally hoped, on 5 April without Congress standing in the way. This plan, although inside and outside Peru it is believed that out country's future lies in Fujimori and his reelection, cannot represent the grounds for our future stability because it has polarized the Peruvian forces. In view of these circumstances, we must seek stability and that will be one of our main goals.

[EXPRESO] How can you guarantee stability in this climate of uncertainty that you yourself have described?

[Flores] Among others things, I would say it can be guaranteed with the following positions: In the first place, if the National Election Board decrees the victory of the "yes" vote, admitting that we have a new Constitution, although we may find it quite unsuitable in some aspects. I disagree with those who believe it must be amended before it is enforced. In the second place, bearing in mind that if we want this Constitution to continue in force after Fujimori, it will need some basic amendments that I feel are clearly listed in the document the opposition forces have submitted to Congress. (Take note that in that document we clearly insist on the need for political decisions on the proposed agenda and that we are not engrossed in procedural aspects). Third, correct the harmful images that crimes such as the Cantuta crime generate abroad. Fourth, be capable of thinking of Peru in the medium term.

[EXPRESO] But is there any real chance of thinking in the medium term when opposition forces seek to return to populism and to discredit this entire process?

[Flores] I have always clearly maintained that what I deem important for Peru is to prove that it will be better off without Fujimori. It will be better off because once we have put the house in order we need to have a clear idea of how to attain sustained production during the next 20 years, starting in the agricultural field.

Moreover, a very clear social policy is necessary if we want a country that can be governed. This not only entails assisting the extremely poor sectors with programs such as Foncodes [National Compensation and Social Development Fund], but also defining authentic policies. In the education field, for example, I believe that the proposals being made by a pluralist group such as the Educational Forum are very valuable. Lastly, democracy must be the real pillar of stability and within this stability, the institutional fortress.

Therefore, I do not believe that those of us who aspire to show the country that there is a much better alternative to liberal dogmatism and autocracy will be so silly as to not start from the right setting and look into the future.

[EXPRESO] Does this mean you are thinking about an opposition alliance to defeat Fujimori?

[Flores] Whether or not Fujimori runs in the elections is something he will have to think about, and this alone reveals that his much-desired "humiliation of the opposition" was an illusion that Peru has rejected.

I do believe we must seek unity or rapprochement by accepting our differences. This will have to entail, at least, minimum points of consensus. This, in our opinion, should start off recognizing the continuity of the economic reform, although with basic complementary approaches such as the promotion of the agricultural field and the state's role in this sense, the social policy, and, of course, institutionality as the grounds for democracy. If we can reach that maturity level, you can be sure we will win in 1995 and we will defeat this despicable authoritarian plan at the ballot box.

[EXPRESO] What about the candidate?

[Flores] If what I just mentioned materializes, I think [former UN Secretary General Javier] Perez de Cuellar is an excellent candidate.

Roundup of Economic Developments 21 Dec

PA2112222093

[Editorial Report] The following is a compilation of reports on Peruvian economic developments monitored through 21 Dec. Source is cited in parentheses after each item.

The official ANDINA NEWS AGENCY reported that Canadian Government business attache Douglas McCue and Eduardo McBride, the president of the Exporters Association of Peru (Adex), today signed a "memorandum of understanding" at Adex Headquarters in Lima. The document establishes that Peruvian exports to Canada will be promoted by the Canadian Agency for International Development. The accord adds that the promotion program will be facilitated by a Canadian adviser, managed by a Peruvian exporter, and get under way in the first quarter of 1994. (Madrid EFE in Spanish 0400 GMT 16 Dec 93)

Arturo Woodman, the president of the National Fund for Social Development and Compensation (Foncodes), reported today, that the World Bank has granted a $100-million loan to Peru to be used in its struggle against poverty. Woodman said the loan, which was approved in Washington last Thursday, has a 20-year term and an initial five-year grace period. The first disbursement will be for $10 million and be made at the end of January. In June, Foncodes presented a study at the World Bank meeting in Paris, which revealed that out of the 22 million inhabitants in Peru, 12 million are poor and another 5 million are living in conditions of "extreme poverty." The families considered to be poor, according to the study, have a monthly per capita income of $34 in the coastal area and $20 in the mountain area. The income of people in "extremely poor" families amounts to $23 a month in the coastal area and $16 in the mountains. (Madrid EFE in Spanish 1602 GMT 17 Dec 93)

Peru and Switzerland have signed an agreement in which the latter has agreed to waive Peru's entire debt, which amounts to $133 million. The agreement was signed by Peruvian Economy Minister Jorge Camet and Swiss Ambassador Marcus Kaiser. Switzerland's waiver of the Peruvian debt is in compliance with its promise at the "Peruvian donors table" meeting in Paris last June. (Madrid EFE in Spanish 1520 GMT 18 Dec 93)

Economy Minister Jorge Camet has reiterated his disapproval of the proposal to reduce the general sales tax and said he will not allow 43 large poultry breeding firms and 13 poultry fattening companies, which control 80 percent of the poultry production in the country, to stop paying taxes. Camet recalled that no country has passed the underdevelopment phase without fiscal discipline. He, however, admitted the possibility of taking a more flexible stance in regard to small farmers, cattlemen, and poultry producers who could be allowed to pay less taxes or no taxes at all. (Lima Global de Television Network in Spanish 0100 GMT 18 Dec 93)

Jose Rafael Serrano, Andean Group technical group coordinator, stated in Lima on Monday, that the amount of intergovernment exports of the Cartagena Agreement will increase to $3 billion by the end of this year. He added that exports amounted to $1.038 billion in 1989 and approximately $2.2 billion in 1992. Reporting the achievements of Andean integration, Serrano revealed that they had been extended to the area of transportation following the implementation of joint regulations and the liberalization of the service. "For example, in air transportation we have increased the routes and number of flights by 200 percent, and in maritime transportation, the freight charges have decreased approximately 35 percent," he said. The Andean Group managed to begin operating a free trade zone and adopted a joint foreign customs tariff, which will allow it to become the first custom's union in the continent. (Paris AFP in Spanish 1809 GMT 20 Dec 93)

Uruguay

President Names New Air Force Commander in Chief, Deputy

PY2112132793 Madrid EFE in Spanish 1235 GMT 21 Dec 93

[Text] Montevideo, 21 Dec (EFE)—It was reported here today that Uruguayan President Luis Alberto Lacalle has named Brigadier General Raul Sampedro as Air Force commander in chief. Sampedro will replace Lieutenant General Carlos Pache as of February.

Sampedro, 58, joined the Air Force 41 years ago, and currently holds the post of personnel commander.

Lacalle also named Brigadier General Werner Malates as deputy Air Force commander in chief.

Vice President's 'Virtual Candidacy' Announced

PY2112180893 Montevideo EL PAIS in Spanish 17 Dec 93 p 7

[Excerpt] Vice President Gonzalo Aguirre has announced his virtual candidacy for president, as a third option within the National Party, along with the Herreraist faction and the New Movement, which is being sponsored by the National Rocha Movement.

During the "A New Time for All" program, which is hosted by journalist Neber Araujo, Aguirre—the leader of the Renewal and Victory Movement—said he was in a "very peculiar" situation that made him become a candidate for president so his political faction does not move backward within the National Party. He did not rule out the possibility of running with his own list for the Senate.

Asked whether he would like to be a presidential candidate in the next elections, Aguirre answered: "In political life, you go wherever you have a place to go and wherever people want you to go," adding that "there are misguided people who harbor impossible aspirations." [passage omitted]

Venezuela

Velasquez Praises High Command, Confirms Need for IVA

PA2112135093 Caracas EL GLOBO in Spanish 19 Dec 93 p 2

[Report by Paola Badarocco]

[Text] Even though President Jose Ramon Velasquez said he wants to refrain from making recommendations to President-elect Rafael Caldera, Velasquez said that the current High Command is trying its best to serve as an element of understanding within the Army and to ensure that the positive traditional values within the organization stand out.

"I have seen at cabinet meetings the defense minister's interest in resolving garrison housing and military hospital problems, for which significant funds have been earmarked, which will allow the new administration to build new infrastructures in the country," Velasquez said.

The president added that he does not want to go as far as suggesting any measure to Caldera, because that would be improper meddling in view of Caldera's great respect for Velasquez' administration regarding the High Command, in addition to fiscal, economic, social, and international policies.

Velasquez defined decisions by the future head of state as very delicate and recalled that Caldera said Velasquez is president until 2 February, and the responsibilities belong to Velasquez and his cabinet.

Ramon J. Velasquez visited Zulia and Tachira States to salute the garrisons at year's end and said: Let us wait until midday on 2 February, when I turn over the presidential sash and he assumes full power. We shall see the cabinet list, which naturally includes the defense minister, and this will define the policies of the new head of state for the first year of his administration. We shall wait.

Regarding the coupist military officers, Velasquez emphasized that he has kept his promise of studying all cases in the 4 February and 27 November uprisings and said: Proof of this is that prior to the decree I signed four days ago, several officers had already been freed. They had been in prison on account of the two military uprisings.

Velasquez reiterated that Decree 15 published last week was not the first one and stated that before the year ends he will take similar measures. For this reason, Velasquez insists on asking all officers to act within the law so cases can be resolved within established legal norms and codes.

Velasquez was once again asked about the possibility of eliminating the value-added tax [IVA], and he replied that he would not. He recalled: This is a national government agreement and part of the economy modernization plan. There are legislative laws that have been on file since 1990. Had they been approved in 1991, the fiscal deficit would not have reached current levels. The government over which I preside had the unpleasant task of promulgating these laws, which will favor the new government's fiscal income.

He said that the IVA will guarantee that the new administration has sufficient funds to meet wage claims, salaries for teachers and health workers, housing, and the maintenance of existing services.

Velasquez said: Because the income from oil, notwithstanding the fact that it is the basis of the country's fiscal organization, is insufficient to cover these social demands; thus the fiscal and treasury deficit. A group of technical advisers chose IVA as a way to generate the greatest income.

When asked about the possibility that the new government may replace the tax, Velasquez said that the new Congress will be installed on 23 January, and democracy is the law. He added: The Legislative Branch decides the course we will take, and after examining the facts, it may repeal or change the current law or create other laws to tax luxury items, assets, or anything else. In other words, the president said, Congress is the top authority in a democracy. Congress dictates laws and the Executive Branch obeys.

He took the opportunity to refer to the constitutional reform, which he describes as essential because the 1961

structure already falls short in the face of the country's development, institutionally, politically, economically, and internationally.

"A new Constitution must be drafted that responds to Venezuela's needs in 1993."

Further on he referred to the accusations that have been made in Venezuela and admitted: At present we have failed to achieve for the single candidacy system the value it once had, its myth, its electoral revolution.

Nevertheless, he appeared optimistic that we shall obtain that goal and is sure that in the 1998 elections, with everything automatic, results will be faster and better.

Velasquez then asked himself about possible presidential candidates and replied that he assumes a woman will be among the possible winners.

Roundup of Economic Developments 21 Dec

PA2212041793

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 21 December. Source is cited in parentheses following each item.

Investment prospects in the industrial sector dropped 27.9 percent during the first quarter of 1993, according to a survey conducted by Venezuelan Council of Industry, Coindustria. This trend has continued for three consecutive quarters. (Caracas EL UNIVERSAL in Spanish 15 Dec 93 p 2-4)

Lagoven (a subsidiary of Venezuelan Petroleum) will invest 16 billion bolivares in infrastructure projects, which will increase oil reserves to 3.6 billion cubic feet per day. (Caracas EL NACIONAL in Spanish 15 Dec 93 p e-2)

Deputy Development Minister Tomas Socia Lopez has reported that foreign investments increased during the past five months, despite the climate of political uncertainty. He added that more than 100 foreign enterprises are planning to invest in Venezuela, including Volkswagen, with $13 million; McDonald's, with $20 million; and Plumrose, with 1 billion bolivares. (Caracas EL NACIONAL in Spanish 15 Dec 93 p e-7)

Petroleum production in the State of Monagas has increased considerably. Current production is 304,000 barrels of petroleum and 624 million cubic feet of gas per day. (Caracas Venezolana de Television Network in Spanish 1550 GMT 15 Dec 93)

The Andean Development Corporation this year granted $450 million in loans to Venezuela and plans to invest more than $500 million in the fields of energy, trade, exports, and manufacturing. Meanwhile, 1,057 companies closed their doors during 1993 because high interest rates blocked access to loans. (Caracas Venezolana de Television Network in Spanish 2350 GMT 17 Dec 93)

A report issued by the Venezuelan Federation of Associations and Chambers of Commerce and Industry on 17 December states that the Venezuelan economy will close 1993 with a 50 percent drop in foreign investment and 49 percent inflation rate. It adds that the country has lost foreign investments to Mexico, Chile, and Argentina because they are becoming more competitive. The report also points to the terrible consequences of political instability. It adds that the local currency, the bolivar, devalued 34.6 percent in relation to the dollar in 1993. The report adds that high interest rates also were a negative factor. It voices concern over the virtual paralysis of the privatization process started under the administration of Carlos Andres Perez. (Madrid EFE in Spanish 1449 GMT 17 Dec 93)